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Legislative Assembly of Ontario

First Session, 41st Parliament

Assemblée législative de l'Ontario

Première session, 41^e législature

Official Report of Debates (Hansard)

Thursday 28 May 2015

Journal des débats (Hansard)

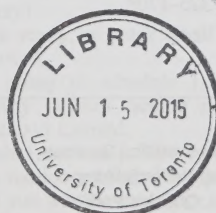
Jeudi 28 mai 2015

Standing Committee on Finance and Economic Affairs

Building Ontario Up Act
(Budget Measures), 2015

Comité permanent des finances et des affaires économiques

Loi de 2015 pour favoriser
l'essor de l'Ontario
(mesures budgétaires)



Chair: Soo Wong
Clerk: Katch Koch

Présidente : Soo Wong
Greffier : Katch Koch



Assemblée législative
de l'Ontario
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LEGISLATIVE ASSEMBLY OF ONTARIO

STANDING COMMITTEE ON
FINANCE AND ECONOMIC AFFAIRS

Thursday 28 May 2015

*The committee met at 0901 in room 151.*BUILDING ONTARIO UP ACT
(BUDGET MEASURES), 2015
LOI DE 2015 POUR FAVORISER
L'ESSOR DE L'ONTARIO
(MESURES BUDGÉTAIRES)

Consideration of the following bill:

Bill 91, An Act to implement Budget measures and to enact and amend various Acts / Projet de loi 91, Loi visant à mettre en oeuvre les mesures budgétaires et à édicter et à modifier diverses lois.

The Chair (Ms. Soo Wong): Good morning. As ordered by the House on Wednesday, May 13, 2015, we are assembled here today for clause-by-clause consideration of Bill 91, An Act to implement Budget measures and to enact and amend various Acts.

Julia Hood, legislative counsel, sitting next to the Clerk, is here to assist us with our work. The committee is scheduled to sit today from 9 to 10:15 a.m., 2 to 6 p.m. and 6:30 to 9:30 p.m.

A copy of the numbered amendments received at the Tuesday at 10:30 a.m. deadline is on your desks. The amendments have been numbered in the order in which the schedules appear in the bill.

Committee members will know that at 4:30 p.m. today, I'm required to interrupt the proceedings and shall, without further debate or amendment, put every question necessary to dispose of all remaining sections of Bill 91 and any amendments thereto. At that time, I will allow a 20-minute waiting period if requested, pursuant to standing order 129(a). From that point forward, those amendments which have not yet been moved shall be deemed to have been moved, and I will take the vote on them consecutively.

Do we have any questions before we begin?

Okay. As you probably notice, Bill 91 is comprised of only three sections, which enact 45 schedules. In order to deal with the bill in an orderly fashion, I'm going to suggest, as suggested by the Clerk, that we postpone the three sections in order to dispose of the 45 schedules first.

Do we have agreement? Are there any questions, comments?

Interjections.

The Chair (Ms. Soo Wong): Agree? Okay.

ASSEMBLÉE LÉGISLATIVE DE L'ONTARIO

COMITÉ PERMANENT DES FINANCES
ET DES AFFAIRES ÉCONOMIQUES

Jeudi 28 mai 2015

On section 1 of schedule 1, there's no amendment to this section. Do we have any debates, comments on this section?

Mrs. Laura Albanese: Madam Chair, I would like to request unanimous consent to consider schedule 44 first.

The Chair (Ms. Soo Wong): Do we have unanimous consent to this?

Mr. Victor Fedeli: What is it? Do you know what number it is?

The Chair (Ms. Soo Wong): Number 44. Okay, I'm just going to get schedule 44. The Clerk says the first motion is 76.

Mrs. Laura Albanese: Motion 76.

The Chair (Ms. Soo Wong): Motion 76. Do we have unanimous consent to this motion? I heard a no. Okay, so we've got to go on.

Mr. Arthur Potts: Any debate before unanimous consent?

The Chair (Ms. Soo Wong): Any time we do unanimous consent, all I need as the Chair is to hear one no. That's the order of the House. I heard a no. I'm going to go forward.

Schedule 1, section 1: Is there any debate?

Mr. Victor Fedeli: Where are we?

The Chair (Ms. Soo Wong): Schedule 1, section 1. There's no motion, okay? I just wanted to check.

Schedule 1, section 1: Is there any debate?

Mr. Victor Fedeli: I have to be honest. We're not going by these pages, then—

The Chair (Ms. Soo Wong): We are, but when there are motions. There is no motion for schedule 1, section 1. Mr. Fedeli.

Mr. Victor Fedeli: This is not a motion?

Interjections.

The Chair (Ms. Soo Wong): There's no motion put forward for schedule 1, section 1. I just want to be on record, okay?

Are we ready to vote? Shall schedule 1, section 1 carry? Carried.

We're going to schedule 1, section 2. There's no motion. Any debate? Seeing none, shall schedule 1, section 2 carry? Carried.

Schedule 1, section 3: Now I believe there is a motion, right? It's motion number 1 by the opposition party. Mr. Fedeli, do you want to read it for the record?

Mr. Victor Fedeli: I move that—do I just jump into that part?

The Chair (Ms. Soo Wong): Yes.

Mr. Victor Fedeli: I don't need the preamble?

The Chair (Ms. Soo Wong): No.

Mr. Victor Fedeli: I move that paragraph 1 of subsection 22(3) of the Alcohol and Gaming Regulation and Public Protection Act, 1996, as set out in subsection 3(2) of schedule 1 to the bill, be amended by striking out "50,000 hectolitres" wherever it occurs and substituting in each case "75,000 hectolitres".

The Chair (Ms. Soo Wong): Any debate, comments? I see Ms. Fife.

Ms. Catherine Fife: New Democrats are very supportive of this motion, Madam Chair.

The Chair (Ms. Soo Wong): Okay. Mr. Potts.

Mr. Arthur Potts: Do we have any indication of what the revenue impacts of doing this are? Do we have any indication of what the industry thinks about doing this—not just the craft industry, but the others involved?

The Chair (Ms. Soo Wong): Do you want to answer that?

Mr. Victor Fedeli: He's asking you a question?

The Chair (Ms. Soo Wong): No, he's asking a question.

Mr. Arthur Potts: I have no information in front of me about what the tax implications are, so I think we'll have to vote against this.

The Chair (Ms. Soo Wong): Mr. Fedeli.

Mr. Victor Fedeli: You have the file in your office. This has been debated and presented by the craft industry on several occasions. It affects very few firms. It primarily affects two who were here at the committee meeting. It is an opportunity to allow the companies to expand. Once they reach a certain level of hectolitres, their tax credits fall off and it prohibits them from expanding. There's no value for those two companies to expand any further until they can have a mega-expansion, but you can't get to that this way. That's why we've asked for that—

Mrs. Laura Albanese: Madam Chair?

The Chair (Ms. Soo Wong): Ms. Albanese.

Mrs. Laura Albanese: Yes—

Mr. Victor Fedeli: I guess I'm finished.

Mrs. Laura Albanese: Yes. I just wanted to say that the act does provide for a preferential tax rate for microbrewers, and a consultation and revenue impact analysis has been conducted to arrive at the 50,000-hectolitre threshold. This is a consideration that would require additional consultation. The act will provide many benefits to the microbrewers—added competition and a new retail growth opportunity—as it stands.

The Chair (Ms. Soo Wong): Mr. McDonell.

Mr. Jim McDonell: Well, I think we've heard clearly that the craft brewers need a hand. They're really restricted in where they can go. I know this is a step, but it's just not enough to allow them to go to that next step, which allows them to have a sufficient market share and be truly successful.

Mrs. Laura Albanese: As I said, this would require additional consultation.

The Chair (Ms. Soo Wong): Okay. Do you have any additional comments, questions? Can I call the question?

Shall motion number 1 of schedule 1, section 3 be carried?

Interjection.

The Chair (Ms. Soo Wong): All those in favour?

Ms. Catherine Fife: Recorded vote.

Ayes

Fedeli, Fife, McDonell.

Nays

Albanese, Baker, Hoggarth, Milczyn, Potts.

The Chair (Ms. Soo Wong): The motion is lost.

I'm going to go back to this. Shall schedule 1, section 3 be carried? Carried.

All right. I'm going to schedule 1, section 4. I believe there is a motion put forward. Mr. Fedeli, do you want to move your motion?

0910

Mr. Victor Fedeli: I move that paragraph 2 of subsection 26(1.1) of the Alcohol and Gaming Regulation and Public Protection Act, 1996, as set out in section 4 of schedule 1 to the bill, be amended by striking out "3 cents per litre" and substituting "2 cents per litre".

The Chair (Ms. Soo Wong): Any questions, comments? Ms. Fife.

Ms. Catherine Fife: Just a question for the PC Party: How did they determine that the two cents per litre was more appropriate than the three cents? I mean, we're in favour of it because we see it as a tax break for small businesses, but I was wondering if there was some rationale that they could give us.

Mr. Victor Fedeli: We've never seen a tax increase that creates jobs.

The Chair (Ms. Soo Wong): Ms. Albanese.

Mrs. Laura Albanese: Yes, decreasing the rate of the tax increase would lower the revenue that is generated, and that is going to be used to fund important government priorities that will create jobs and that will support our health care, education and skills training, as well as infrastructure and transit.

The Chair (Ms. Soo Wong): Any other comments? Mr. McDonell.

Mr. Jim McDonell: I kind of disagree with that, because we've seen a government that has doubled its revenue in 10 years, and we aren't seeing any positive impacts, other than businesses leaving. So I think that the additional tax just gets squandered, like everything else.

The Chair (Ms. Soo Wong): Any other comments? Seeing none, I'm going to call the question.

For motion number 2 for schedule 1, section 4: Shall it be carried? I hear a no.

Ms. Catherine Fife: Did you say "in favour"? Do I have to ask for a recorded vote every single time?

The Chair (Ms. Soo Wong): Do you want a recorded vote?

Ms. Catherine Fife: I think I'd like a recorded vote on this one, Madam Chair.

The Chair (Ms. Soo Wong): All right. Can I call the question?

Ayes

Fedeli, Fife, McDonell.

Nays

Albanese, Baker, Hoggarth, Milczyn, Potts.

The Chair (Ms. Soo Wong): Motion number 2 is lost. I'm going to go back: Shall schedule 1, section 4, be carried? Carried.

We're now on schedule 1, section 5. There is no motion before us. Any questions or comments before I call the question? Seeing none, shall schedule 1, section 5, be carried? Carried.

There is no motion for schedule 1, section 6. Any questions or comments? Seeing none, I'm going to call the question. Shall schedule 1, section 6, be carried? Carried.

Shall schedule 1 be carried? Carried.

All right. We're now in schedule 2, section 1. There is no motion put forward. Any questions or comments? Seeing none, shall schedule 2, section 1, be carried? Carried.

Schedule 2, section 2: There are no motions before us. Any questions or comments? Seeing none, shall schedule 2, section 2, be carried? Carried.

Shall schedule 2 be carried? Carried.

All right, we're dealing with schedule 3, section 1. There is no motion for this particular section. Are there questions and comments before I call the question? Mr. Baker?

Mr. Yvan Baker: Could I ask for a recorded vote on this one?

The Chair (Ms. Soo Wong): Okay, you want a recorded vote for schedule 3, section 1?

Mr. Yvan Baker: Yes.

The Chair (Ms. Soo Wong): All right. Any questions or comments? Because this is a recorded vote. Okay, folks, I'm just putting it on the table.

Schedule 3, section 1: Mr. Baker has asked for a recorded vote for schedule 3, section 1. There are no motions put forward to us.

Mr. Jim McDonell: So where is this exactly?

The Chair (Ms. Soo Wong): This is schedule 3, section 1. There's no motion. There's only a request from Mr. Baker that this is a recorded vote. Before I call the question, I want everybody to know what they're voting on.

Ms. Catherine Fife: Only schedule 3, section 1.

The Chair (Ms. Soo Wong): This is schedule 3, section 1. There's no motion. Mr. Baker has asked that

this will be a recorded vote. Okay? Everybody understands what I'm asking for? I'm going to call the question.

Nays

Albanese, Baker, Fedeli, Fife, Hoggarth, McDonell, Milczyn, Potts.

The Chair (Ms. Soo Wong): This section is lost.

Schedule 3, section 2: The opposition has a motion, motion number 3. Mr. McDonell.

Mr. Jim McDonell: I move that subsection 13(1) of the Auditor General Act, as set out in section 2 of schedule 3 to the bill, be amended by striking out "on and after the date on which the Building Ontario Up Act (Budget Measures), 2015 received royal assent" at the end and substituting "on and after the date on which the Minister of Energy on behalf of Her Majesty in right of Ontario owned less than 50 per cent of the outstanding common shares of Hydro One Inc. as of the date that section 3 of schedule 9 to the Building Ontario Up Act (Budget Measures), 2015 came into force."

The Chair (Ms. Soo Wong): Any questions and comments? Ms. Fife.

Ms. Catherine Fife: New Democrats can't support this motion. Changing the timing of the provisions won't change the fact that the government does not have a mandate to sell Ontario's Hydro One, and so we won't be supporting this motion.

The Chair (Ms. Soo Wong): Mr. Baker?

Mr. Yvan Baker: As Hydro One transitions into a publicly traded company, we're, first of all, committed to making sure it's continually regulated, it's accountable, it's transparent. But at the time of the IPO, and as soon as the first tranche of shares is sold, Hydro One would cease to be a crown corporation. It is at that time that it becomes a public company. As a public company, it will have a different set of oversight mechanisms, but it will have oversight mechanisms.

As we know, officers of the Legislature don't have oversight over publicly traded companies, and so that's why we would oppose this motion.

The Chair (Ms. Soo Wong): Any comments and questions? I see none.

Ms. Fife?

Ms. Catherine Fife: Recorded vote.

The Chair (Ms. Soo Wong): Recorded vote. I see no comments and questions, so I'm going to call the question.

Ayes

Fedeli, McDonell.

Nays

Albanese, Baker, Fife, Hoggarth, Milczyn, Potts.

The Chair (Ms. Soo Wong): Motion number 3 is lost. Now we're dealing with motion number 4. Mr. McDonnell, do you want to read that motion?

Mr. Jim McDonnell: Sure. I move that subsection 13(7) of the Auditor General Act, as set out in section 2 of schedule 3 to the bill, be amended by striking out "on the first anniversary of the date on which the Building Ontario Up Act (Budget Measures), 2015 received royal assent" at the end and substituting "on the first anniversary of the date on which the Minister of Energy on behalf of Her Majesty in right of Ontario owned less than 50 per cent of the outstanding common shares of Hydro One Inc. as of the date that section 3 of schedule 9 to the Building Ontario Up Act (Budget Measures), 2015 came into force."

The Chair (Ms. Soo Wong): Any questions and comments? Mr. Baker?

Mr. Yvan Baker: The reason we intend to broaden the ownership of Hydro One is to improve its long-term performance; it's to unlock billions of dollars in value for investment in major infrastructure projects. It will allow Ontario's economy to grow for years to come. It will improve Ontarians' quality of life in many different ways, as we know. This approach is going to create an improved company. It will allow the company to operate more efficiently and better serve the interests of rate-payers and Ontarians.

We've welcomed the feedback that we've received from many witnesses, including the Auditor General, on this, and we've taken that input into account. Oversight mechanisms will continue to be in place. Hydro One will continue to have a dedicated ombudsperson, similar to what you would have at other public companies that investigate customer complaints.

The Chair (Ms. Soo Wong): Mr. McDonnell?

Mr. Jim McDonnell: I think we've seen a government here that has made a mess of Hydro One with its policies, and so far their whole strategy has been trying to discredit the Auditor General on the file, somebody that has much experience and is very qualified. We just think, especially with the state of how people in Ontario are upset and furious with what has happened here, the extra year of oversight just allows for transition and allows a second set of eyes here that has much experience on the file, having worked for Manitoba Hydro for many years, to look at this and provide the public with the needed feedback on just how the transition is going.

0920

The Chair (Ms. Soo Wong): Ms. Fife?

Ms. Catherine Fife: Thank you, Madam Chair. Again, this motion is tinkering with, really, a flawed premise on the sale of Hydro One. We saw an unprecedented coming together of all the independent officers of the Legislature. They wrote to the government. It was a public letter calling the government out on removing the responsibility of oversight over Hydro One. We all know that those internal oversight mechanisms are never as thorough and as unbiased as the independent officers of the Legislature. New Democrats, again, will not support

this motion because we fundamentally disagree with the sale of Hydro One.

The Chair (Ms. Soo Wong): Mr. Fedeli?

Mr. Victor Fedeli: Thank you very much, Chair. Look: This Bill 91, in the section on hydro, strips all oversight that we have been accustomed to for decades, if not generations, including the Auditor General, the privacy commissioner, the ethics commissioner—all of these will cease to have an opportunity to weigh in. Sunshine list, freedom of information—all gone, all stripped.

We know they're going to ram this through; we understand that. That's what they are going to use their majority to do. This amendment at least changes the auditor's phase-out of the utility to be a year from the day that a majority of Hydro One is sold, so that while the people of Ontario cling to a little bit of Hydro One, we should still have the oversight of our Auditor General and others. It gives us at least a little bit of oversight during the transition period.

The Chair (Ms. Soo Wong): Mr. Baker?

Mr. Yvan Baker: I'd just like to add: If the budget passes, transitional measures are in place that would give the Auditor General time to complete the investigations ongoing, to exercise her statutory powers with respect to special audits, special assignments, on the consolidated financial statement, etc. Officers of the Legislature do not have oversight over publicly traded companies. As a business person, I know how important it is that we have oversight, but it's also important that the appropriate oversight be put in place. That's why we oppose the motion.

I also want to speak very briefly to the role of the Auditor General. I just wanted to respond to a comment that was made earlier about that. We definitely recognize the important role that the Auditor General plays in ensuring fairness in government and accountability in government. In fact, just previously—I don't know if it was one vote or two votes ago—we voted down a section in response to feedback that we received from the Auditor General. I think that demonstrates the government's commitment to listening, in general, to all stakeholders, but in particular the Auditor General, taking in her feedback and working with her collaboratively. So we'll be opposing this motion.

The Chair (Ms. Soo Wong): I see Mr. Potts.

Mr. Arthur Potts: I just want to also take issue with this notion or suggestion that we're in any way discrediting the role of any of the oversight officers of this Legislature. There's not another public corporation in Ontario that the Auditor General and the Ombudsman have oversight over. This makes this consistent throughout. All the regular oversight of the Ontario Securities Commission, the Ombudsman and others continue to play in force. You may disagree with the decision to take this company public; however, the Auditor General does not have oversight over General Motors, nor would she over this public corporation.

The Chair (Ms. Soo Wong): Mr. Fedeli.

Mr. Victor Fedeli: Thank you very much. Just the fact that you call this a public corporation—let's just

understand what this means. The moment one share is sold of Hydro One, of the 100% that we own, all of this kicks in. You can pretend it's a public corporation all you want, but you're talking about the moment that one share is sold. So this is a very—I'm going to have to think of a parliamentary word—questionable action to get around public scrutiny. Even at the end of the day, if we still own 40%—we don't own 40% of other public companies, but in the worst case here, we'll own 40% of Hydro One. All of our taxpayer scrutiny that we're used to when we owned such a huge percentage of what was once 100% owned is gone. We're stripping this away.

I want you to just think deeply for a second about this. Take the politics out of it for one second and think about the public owning 99.9% of a company that we, the people, would still own the first day that a share is sold: We don't have any scrutiny anymore. No more Integrity Commissioner, no more freedom of information, no way to understand what's there. I just think that's egregious.

The Chair (Ms. Soo Wong): Mr. McDonell.

Mr. Jim McDonell: I look back at the number of complaints we've received over billing issues totally ignored by this government and Hydro One until the Ombudsman released his paper just a year ago, and a CEO who refused to even meet with us. Then, all of a sudden, he was curiously interested in meeting with all of us within a week, individually.

It just goes to show that this is an important corporation. The people have no choice. If they want to operate a business, if they want to live in this province, they have to go through Hydro One. We see a corporation to date that has been very unconcerned with the complaints of their customers. They basically turned a blind eye. Only when they get embarrassed—and of course, I take exception to your comment, because when the Auditor General's report came out, the only defence we had from your government was, "Here's somebody who doesn't know what they're talking about"—very disrespectful of somebody who has a lot of information and actually has been in the industry much longer than the current energy minister. So I guess I would question those comments.

The people of Ontario and in my riding are telling me that they want to see some oversight here; they don't believe it's going to be continued. Sure, private companies around the world have some rules to follow, but we all see how that works. We just think there needs to be a little more oversight here.

The Chair (Ms. Soo Wong): Okay. I have no more speakers, so I'm going to call the question. All those in favour of motion number 4? All those opposed to motion number 4? The motion is lost.

I'm going to call the question for schedule 3, section 2. Shall schedule 3, section 2 be carried? Carried.

We're dealing with schedule 3, section 3. There were no motions put forward. Any questions and comments?

Mr. Victor Fedeli: What about the notices we have? How do those fit into your calling of these things?

The Chair (Ms. Soo Wong): They're not motions.

Mr. Victor Fedeli: They're notices.

The Chair (Ms. Soo Wong): They're just notices to let all the members of the committee know how your party intends to vote. It's not a motion; it's just for—

Mr. Victor Fedeli: I understand that.

The Chair (Ms. Soo Wong): All right. I just wanted people to—this is not a motion.

Mr. Victor Fedeli: Do you expect us to pipe up about those or—

The Chair (Ms. Soo Wong): Before I call the question, I always ask, "Are there any questions and comments?" You can say what you want.

Ms. Fife?

Ms. Catherine Fife: Just a point of clarification: You're going to call the vote on schedule 3; right?

The Chair (Ms. Soo Wong): Yes.

Ms. Catherine Fife: You haven't done that yet. We'll speak to it, and then we vote on it.

The Chair (Ms. Soo Wong): Yes.

Ms. Catherine Fife: I want a recorded vote on this, please.

The Chair (Ms. Soo Wong): Okay. As long as we know in advance of the vote that you want a recorded vote, we'll make sure we get that.

Mr. Victor Fedeli: So have we passed over our objection to section 2 of schedule 3?

The Chair (Ms. Soo Wong): We already passed schedule 3, section 2. We just did a vote.

Mr. Victor Fedeli: Section 2 of schedule 3?

The Chair (Ms. Soo Wong): Yes. We just did a vote.

Mr. Victor Fedeli: We don't expect a recorded vote on every one of these, but—

The Chair (Ms. Soo Wong): As long as we know in advance, we will do a recorded vote, before the vote. Okay?

Right now, I'm on schedule 3, section 3. Are there any questions and comments? Ms. Fife.

Ms. Catherine Fife: We have taken a very strong stance against the privatization of Hydro One. It's just incredible to us and to the people who we've heard from across the province that this is even part of this bill and that the Auditor General is no longer part of the process. To listen to the government talk about the oversight and the lack thereof—they protest too much I think, Madam Chair.

New Democrats will be voting against schedule 3 in its entirety.

The Chair (Ms. Soo Wong): All right. Any more questions and comments? I'm dealing with schedule 3, section 3.

Ms. Fife wants a recorded vote. Mr. Fedeli and Mr. McDonell, I'm just giving you guys a heads up: I'm about to call the question for schedule 3, section 3, and Ms. Fife has asked for a recorded vote.

Mr. Victor Fedeli: Can we have a two-minute recess? Literally, two minutes.

The Chair (Ms. Soo Wong): Everybody okay with it? Two minutes.

Interjection.

The Chair (Ms. Soo Wong): What's that?

Mrs. Laura Albanese: We can have a recess after the vote has been called?

Interjections.

The Chair (Ms. Soo Wong): I haven't called the vote yet.

There's a request for a two-minute recess. Is it agreeable with everybody? Two minutes.

The committee recessed from 0931 to 0934.

The Chair (Ms. Soo Wong): Okay, I'm going to resume the committee. I'm on schedule 3, section 3. I'm about to call the question. Are there any comments? I know Ms. Fife already made her comment.

Seeing none, I'm going to call the question. There is a request for a recorded vote from Ms. Fife. All those in favour of schedule 3, section 3?

Ayes

Albanese, Baker, Hoggarth, Milczyn, Potts.

Nays

Fedeli, Fife, McDonell.

The Chair (Ms. Soo Wong): Schedule 3, section 3 is carried.

The next question is schedule 3, the entire schedule. Are there any questions and comments before I go forward? Seeing none, I'm going to call the question. Shall schedule 3 be carried?

Ms. Catherine Fife: Sorry, recorded vote. I was just too slow. Sorry.

The Chair (Ms. Soo Wong): Shall schedule 3 be carried?

Ayes

Albanese, Baker, Hoggarth, Milczyn, Potts.

Nays

Fedeli, Fife, McDonell.

The Chair (Ms. Soo Wong): Schedule 3 is now carried.

We're on schedule 4, section 1. There is no motion before us. Are there any questions or comments on this particular schedule and this section? Seeing none, I'm going to call the question. Shall schedule 4, section 1 be carried? Carried.

Schedule 4, section 2: Any questions, any comments? There is no motion for this particular section. Seeing none, I'm going to call the question. Shall schedule 4, section 2 be carried? Carried.

I believe there is a motion here from the opposition, motion number 5. Mr. Fedeli, do you want to read it for the record?

Mr. Victor Fedeli: I move that subsection 7.5(5) of the Broader Public Sector Accountability Act, 2010, as

set out in section 3 of schedule 4 to the bill, be amended by striking out "as of the day the Building Ontario Up Act (Budget Measures), 2015 received royal assent" at the end and substituting "on the earlier of the date named by proclamation under this section and the date on which the Minister of Energy on behalf of Her Majesty in right of Ontario owned less than 50% of the outstanding common shares of Hydro One Inc. as of the date that section 3 of schedule 9 to the Building Ontario Up Act (Budget Measures), 2015 came into force."

The Chair (Ms. Soo Wong): Any questions or comments? Mr. Baker?

Mr. Yvan Baker: Sorry; you're done?

The Chair (Ms. Soo Wong): He finished reading the motion.

Mr. Yvan Baker: I just want to reiterate some of the points I made before and maybe add a few others. I think this is similar to some of the other motions that the PCs have introduced.

As Hydro One transitions into a public company, it absolutely needs to have oversight. It needs to have appropriate oversight. The government continues to be committed to that, to accountability, to regulation, to transparency. But at the time of the IPO and when the first 15% of the shares are sold, Hydro One ceases to become a crown corporation, so it's at that time that different mechanisms for oversight are required. There will be a number of mechanisms for oversight. I have to say that the government is committed that Hydro One will continue to be regulated. I don't want that to be lost. The government is committed to the fact that Hydro One will remain regulated.

Let me give you a few points to illustrate what I mean. First of all, Denis Desautels, who is the former Auditor General of Canada, will ensure fairness throughout the IPO process; that's the first. The Ontario Energy Board, the OEB, will continue to have oversight of the company and approve its rates. It's the OEB that approves rates, and the OEB will continue to have oversight over Hydro One. We will introduce legislation to strengthen the OEB. Hydro One will continue to be regulated by the Ontario Business Corporations Act and the Ontario Securities Act and will continue to file information with the Ontario Securities Commission.

Hydro One will disclose compensation of the CEO, the CFO and three of the other highest-paid executives of the corporation every single year.

Mrs. Laura Albanese: And all the members of the board.

Mr. Yvan Baker: And all the members of the board; thank you. And we're proposing to allow some transition time for officers of the Legislature to continue the work that is already under way.

Ontario will remain the largest shareholder of Hydro One, by far. We will nominate 40% of the board of directors. Any major decisions of the board would require a two-thirds vote and therefore the government's agreement, the board members' agreement. We will have the power to unilaterally dismiss the board. These are a series of mechanisms that allow us to make sure that we

continue to regulate Hydro One, that we continue to ensure accountability and transparency. That is why we will be opposing the PC motion.

The Chair (Ms. Soo Wong): Any other comments? Mr. Fedeli.

Mr. Victor Fedeli: Look: You can talk about transparency or you can actually be transparent. When you suggest that the people of Ontario would still be the single largest shareholder at 40%—while that is correct, we are not the majority shareholder. There are 60% of the shares that will be owned by other people, other institutions. We lose the hammer. We lose the 100% that we're at today.

Again, we can't be lulled into this security of "Don't worry; we're still going to have the securities commission." Of course, all private companies have those. But this isn't a private company.

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Today, this is a public company owned by the people of Ontario. When we still own 90%, 80%, 70%, 60%, 50% and even down to 40%—the minority shareholder. We have no more oversight from the Auditor General, the Integrity Commissioner, Management Board of Cabinet, the Ombudsman, freedom of information and the Municipal Act as well. The list goes on and on of what they're cutting from us.

Make no mistake: These are drastic cuts to the oversight that we have today. I cannot stress this enough. What this amendment does is change the phase-out date. Look, it's a half measure, but to give us a little—we're clinging here. In this majority government, we're desperately clinging to some semblance of transparency before they take it all away from us.

The Chair (Ms. Soo Wong): Okay. I've got Ms. Albanese.

Mrs. Laura Albanese: I just wanted to clarify that no other individual, group or entity will be able to own more than 10% of the company. There is not a major shareholder that will hold 60%. The government will certainly be the largest shareholder of Hydro One and will nominate 40% of the board of directors. This is to the reference that there will be no control.

I want to reiterate that two thirds of the board vote is required for any major decision. We will have the power also to unilaterally dismiss the board. I just want to make that clear.

Also, this framework is the one that the government has been advised on by the experts to maintain and retain effective control and to still be the major shareholder.

The Chair (Ms. Soo Wong): All right. Two more speakers. Mr. McDonell?

Mr. Jim McDonell: Just some concern, because I don't know anybody's math that would think that 40% of 100% would ever carry a deciding vote. We see, in the case of Ornge, as an example, where the government was responsible directly for the payments to a company and where we had a Minister of Health who said she had no way of knowing what was going on.

In a case like this, where Hydro One will be doing its own billing, there's no control over the billing. We talk

about the energy board. All the energy board can do is pass on costs. We have had a lot of, I guess, what people in my riding call crazy policies of this government that have added huge costs. The energy board is forced to pass those on. They have no choice. They can't comment on something, and if they do add any criticism, I guess this government has the threat of dismissing members. So in a way, we have less control than we do over some of these other corporations, because they could at least stand up and disagree with the policy of the government. This board here will be basically brow-beaten into "Agree or remain quiet or we may just dismiss you as a shareholder." Anyway, it's a concern.

I don't buy the energy board having any say, because they are only forced to pass on costs. Whatever policies or requirements that come through based on the policies of this government the energy board will be forced to pass on to customers, just like we see with less revenue, where the shares have been sold out to the power union corporations. That is less revenue coming back, so less money to pay off the debt. The energy board will be forced to increase rates to cover that loss of revenue, as well as the revenue lost to these other private corporations.

Anyway, it's a concern, and I think people are furious. I think you know that. You've seen the articles and you've talked to your own residents. You know people are furious about the selling off of Hydro One. It's a catastrophe just waiting to get worse.

The Chair (Ms. Soo Wong): Okay. Ms. Fife?

Ms. Catherine Fife: I appreciate in principle what the PC caucus is trying to do. We just fundamentally disagree that this government has a mandate to sell off Hydro One. Quite honestly, you are taking the people of this province, who are owners of a major public asset, and you're going to make them tenants and you're not protecting them throughout the process. You're making false promises of security to them.

The recent appointments to the Ontario Energy Board I think confirm that the people's interests, the citizens of this province, will not be foremost at the top of the minds of the shareholders or the board. We are not going to support this motion because we just think that it's participating in a process that is fundamentally undemocratic, Madam Chair.

The Chair (Ms. Soo Wong): Mr. Baker?

Mr. Yvan Baker: Can I just request a recorded vote on this?

The Chair (Ms. Soo Wong): You want a recorded vote? There is a request for a recorded vote. There are no more speakers. I'm going to call the question.

Ayes

Fedeli, McDonell.

Nays

Albanese, Baker, Fife, Hoggarth, Milczyn, Potts.

The Chair (Ms. Soo Wong): The motion is lost.

I'm going to call the question on schedule 4, section 3. Any questions and comments before we vote on this particular section, schedule 4, section 3?

Mr. Victor Fedeli: Which one?

The Chair (Ms. Soo Wong): No, no; that's your motion. Now I'm going to call the question to the entire section and this schedule; that's what I'm trying to do. Shall I call the question? All those in favour of schedule 4, section 3? Opposed? Schedule 4, section 3 is now carried.

Schedule 4, section 4: Are there any questions and comments? There are no motions put forward. Any questions or comments? Seeing none, I'm going to call the question. Shall schedule 4, section 4, be carried? All those opposed? Carried.

All right. Now I'm dealing with schedule 4, section 5. I believe there's a motion from the opposition. Mr. Fedeli or Mr. McDonell, do you want to read it for the record?

Mr. Jim McDonell: I move that subsection 7.19(4) of the Broader Public Sector Accountability Act, 2010, as set out in section 5 of schedule 4 to the bill, be amended by striking out "as of the day the Building Ontario Up Act (Budget Measures), 2015 received royal assent" at the end and substituting "on and after the date on which the Minister of Energy on behalf of Her Majesty in right of Ontario owned less than 50 per cent of the outstanding common shares of Hydro One Inc. as of the date that section 3 of schedule 9 to the Building Ontario Up Act (Budget Measures), 2015 came into force."

The Chair (Ms. Soo Wong): Any questions and comments to the motion? Mr. Milczyn?

Mr. Peter Z. Milczyn: I'll just reiterate the remarks made by Mr. Baker earlier. As this company transitions from being solely owned by the province of Ontario to becoming a publicly traded company, it will operate in the manner that every publicly traded company in this province operates under the regulations of the Ontario securities and trade commission, the Business Corporations Act and so on. There will be numerous safeguards there. It would not be appropriate for it to continue to be under the auspices of these officers.

We don't need to go over this again and again; it's pretty clear that when a company moves to being a publicly traded company there are a whole series of regulatory provisions that protect shareholders and the public in terms of how that company will be operating.

The Chair (Ms. Soo Wong): I see a hand from Mr. McDonell.

Mr. Jim McDonell: I certainly disagree with that logic because I look at this somewhat like the telecommunications companies, where they have a regulatory process. Any time any decision is made, they're responsible for doing research, making that public, allowing people to come in and interrogate them. These proceedings take sometimes as much as a year before you can get any rate increase. This one here will simply go to the energy board, which will be forced to pass on costs. There's no discussion; the costs are highlighted. They

have to keep it solvent. That's their only choice. There's quite a difference in process. Both are monopolies where there's very little choice. In the telecommunications field there is substantial choice, but we still have those protections in place.

This is Hydro One, where you have no other choice for your power. We see many places even wanting to shift between distribution companies. There's no choice given to them. They must buy their power from the local distribution company. Here, all we're doing—there's no oversight, no regulatory process, other than an energy board that would be forced to pass on any changes or any costs to hit the industry. I think it's fundamentally different. Public companies generally don't look after essential services like we have here.

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The Chair (Ms. Soo Wong): Okay. Mr. Fedeli.

Mr. Victor Fedeli: The people have a right to know what's happening within an organization that they own a majority of. At the moment, we own 100% of hydro. They talked about how a publicly traded company has many other oversights, but what we're talking about is day one. We lose one share of hydro, and all of a sudden it falls out of everything. So what this particular amendment does is change the schedule so that all those protections that we have can stay while we own at least 50% of hydro. If we're the true majority owner and majority shareholder, then at least let us cling to some semblance of transparency while we own half of it. It makes hydro remain a public company until more than half is privatized. That's what this particular motion does.

The Chair (Ms. Soo Wong): Any other comments and questions?

Seeing none, I'm going to call the question to motion number 6. All those in favour of motion number 6? All those against? The motion is lost.

Schedule 4, section 5: Shall it be carried?

Ms. Catherine Fife: Recorded vote.

Ayes

Albanese, Baker, Hoggarth, Milczyn, Potts.

Nays

Fedeli, Fife, McDonell.

The Chair (Ms. Soo Wong): Section 5, schedule 4, is now carried.

Schedule 4, section 6: There's no motion before us. Any questions and comments before I call the question?

Ms. Catherine Fife: On schedule 4 as a whole?

The Chair (Ms. Soo Wong): No. Schedule 4, section 6. It's not the entire section yet.

Ms. Catherine Fife: Yes.

The Chair (Ms. Soo Wong): We still have a section.

So schedule 4, section 6: Are there any questions and comments?

Seeing none, I'm going to call the question. Shall schedule 4, section 6 be carried? All those in favour? All those opposed? So schedule 4, section 6 is now carried.

I'm going to call the question to the entire schedule 4.

Ms. Catherine Fife: This is a recorded vote.

The Chair (Ms. Soo Wong): Okay. Any questions and comments to the entire schedule 4? Seeing none, I'm going to call the question.

Ayes

Albanese, Baker, Hoggarth, Milczyn, Potts.

Nays

Fedeli, Fife, McDonell.

The Chair (Ms. Soo Wong): Schedule 4 is carried.

We're now on schedule 5, section 1. I believe there are a couple of motions put forward.

Mr. Fedeli, do you want to read it into the record?

Mr. Victor Fedeli: I do.

The Chair (Ms. Soo Wong): Okay. So this is motion number 7, everybody. Mr. Fedeli.

Mr. Victor Fedeli: I move that subsection 1(1) of schedule 5 to the bill be struck out.

The Chair (Ms. Soo Wong): Any questions and comments to this particular motion?

Mr. Victor Fedeli: Again, Chair, if I may.

The Chair (Ms. Soo Wong): Okay.

Mr. Victor Fedeli: What this amendment does is ensure that Hydro One is not exempt from the broader public sector salary caps that were instituted in 2014.

The Chair (Ms. Soo Wong): Okay. Any questions and comments? Ms. Fife.

Ms. Catherine Fife: We're going to be supporting this motion. But this government has proven that they cannot get broader public executive salaries under control. It's a long-standing issue, and we appreciate the fact that the PCs have brought forward this motion.

The Chair (Ms. Soo Wong): All right. Any questions and comments? Ms. Hoggarth.

Ms. Ann Hoggarth: Let me be clear that publicly traded companies have different oversight mechanisms. We've said this over and over. Also, I think Mr. Baker and Mr. Milczyn said that Hydro One will annually disclose its compensation for the CEO, every member of the board of directors, the chief financial officer and the three other highest-paid executives of the corporation. We still want it to have accountability, regulation and transparency.

The Chair (Ms. Soo Wong): Mr. McDonell.

Mr. Jim McDonell: It's clear that we have some concern. Even when Hydro One was under public measures, we saw a huge abuse of salaries and pension benefits.

This is not a typical public company where they're worried about keeping costs down because they have to compete. This is a company that does not have to

compete. Their costs are passed on through the energy board, which looks at and agrees with changes. If they make bad decisions, the general public will not be aware of them, because these are all under closed hearings. Salaries will not be disclosed anymore. We won't have an opportunity to scrutinize these. And if they do a bad job, unless you're willing to just go without power, you have no choice.

We think it's much different than a normal private corporation that must deal with the market. This is a company that does not have to deal with the market.

The Chair (Ms. Soo Wong): Mr. Baker? No?

All right, I'm going to call the question, seeing no more speakers.

All those in favour of motion number 7? I'm calling the question. All those in favour? All those opposed to motion number 7? The motion is lost.

I believe there's another motion: motion number 8. Mr. McDonell, do you want to read it for the record?

Mr. Jim McDonell: I move that subsection 1(2) of schedule 5 to the bill be struck out.

The Chair (Ms. Soo Wong): Any questions or comments for this particular motion? I'm going to call the question—

Mr. Victor Fedeli: I have a comment.

The Chair (Ms. Soo Wong): Oh, sorry. Mr. Fedeli.

Mr. Victor Fedeli: Just to be perfectly clear, our amendment that we're bringing forth would remove the exemption for the ORPP Administration Corp. from those employees to be removed from the broader public sector salary caps that were instituted in 2014.

Here we are, with the ORPP Administration Corp. not even formed yet—it hasn't even been discussed with us yet; I don't think the Liberals even have a clue of how this thing is going to go—and already they're trying to remove the transparency from the ORPP, which hasn't even been formed. This one boggles my mind.

The Chair (Ms. Soo Wong): I've got Ms. Albanese first.

Mrs. Laura Albanese: I think we do have a clue of how we want the ORPP to be truly effective, and that entails attracting the right talent.

But more importantly, we need to be closely aligned with the industry standards for accountability and compensation that are in place in other leading public pension plans. That's what we're doing. Those pension plans uphold an extremely high standard of accountability and transparency, and we want to do exactly that. The ORPP will build on these successful accountability measures. I want to say that some of these measures include establishing a governance committee to develop and review the compensation framework, and producing an annual report that clearly outlines the compensation framework.

The Chair (Ms. Soo Wong): I have Ms. Fife on the list to speak.

Ms. Catherine Fife: I think it's incredible that the government has tried to remove the oversight around public sector compensation for the ORPP Administration Corp. I think that it's shameful, Madam Chair.

If we look at what happened in BC, where this same model was applied for a provincial plan, the top administrators in the BC plan were pulling out \$2.5-million salaries because they had negotiated their framework and they tied performance of the fund to their salaries.

The top public servants in BC are actually the people who are managing the pension fund, and that's not the goal of the fund. The fund is supposed to benefit the people who, based on the plan, are actually contributing to it, not the managers at the top.

This government has a record of not controlling public sector executive salaries. They do not. So removing them from the oversight is just incredible. It's basically an insult to the people of this province, and it certainly isn't anything to laugh about.

The Chair (Ms. Soo Wong): Okay, I'm going to turn to Mr. McDonell.

Mr. Jim McDonell: We're looking at benefits here that, in the last review, the Auditor General revealed are the highest in the industry. We're not looking to protect—these pension benefits were obscene, with the contributions being made by the public.

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We just think that this is another issue where as soon as one share, 1%, is sold, we lose all control over oversight. This may take quite a period of time before the final board is put in place. During that whole period of time, there is no oversight. This is just another one that we're losing, and we think it's wrong.

If you want to be devious, the government could go out and sell 1% and then remove it from all oversight, because there's no question the oversight that the independent officers have been providing has been very embarrassing to this company because of the reckless overview that they've done with these. We just think it's wrong.

The Chair (Ms. Soo Wong): Any more questions and comments? I'm going to call the question. All those in favour of motion number 8? All those opposed to motion number 8? The motion is now lost.

I believe there's another motion: number 9. Mr. Fedeli, do you want to read it for the record?

Mr. Victor Fedeli: I move that subsection 1(3) of schedule 5 to the bill be struck out.

The Chair (Ms. Soo Wong): Any questions and comments to motion number 9? I see none. Can I call the question? All right. All those in favour of motion number 9? All those against motion number 9? The motion is lost.

I'm going to go to the question now. Shall schedule 5, section 1 be carried? All those against schedule 5, section 1? Schedule 5, section 1 is now carried.

I believe there are more motions coming forward, motion number 10 for schedule 5, section 2. Mr. McDonell or Mr. Fedeli, do you want to move the motion?

Mr. Victor Fedeli: I move that subsection 2(1) of schedule 5 to the bill be amended by striking out "Subject to subsection (2)".

The Chair (Ms. Soo Wong): Any questions and comments to this motion? Ms. Hoggarth.

Ms. Ann Hoggarth: We oppose this, and the reason we do is because you have to attract the right talent. You need to be closely aligned with industry standards in this situation for accountability and compensation.

Very clearly, my personal experience is with the Ontario Teachers' Pension Plan and how wonderful it was that we were able to have Claude Lamoureux take the plan from \$16 billion to \$60 billion. It's now at \$157 billion. You have to get the best people for the job. It's very important that we do that.

The Chair (Ms. Soo Wong): Mr. Fedeli.

Mr. Victor Fedeli: I don't think we need be secretive to be effective in hiring the right people.

The Chair (Ms. Soo Wong): Any more questions and comments? Seeing none, I'm going to call the question. All those in favour of motion 10? All those opposed to motion 10? The motion is lost.

I believe there is another motion: motion 11. Mr. Fedeli, do you want to read it into the record? Oh, Mr. McDonell.

Mr. Jim McDonell: I move that subsection 2(2) of schedule 5 to the bill be struck out.

The Chair (Ms. Soo Wong): Any questions and comments to motion number 11? I see none. I'm going to call the question. All those in favour of motion number 11? All those opposed to motion number 11? The motion is now lost.

Shall schedule 5, section 2 be carried? All those opposed to schedule 5, section 2? It's now carried.

The question now is, shall schedule 5, the entire schedule, be carried?

Ms. Catherine Fife: A recorded vote.

The Chair (Ms. Soo Wong): Now we've got a recorded vote.

Mr. Yvan Baker: Point of order, Chair: You called the question. A number of members expressed their views, and then a recorded vote was called for.

Ms. Catherine Fife: No, it's on the whole section. She just said "on the whole section," and then—

Mr. Yvan Baker: But in my view, Chair, humbly, you called the question. A number of members expressed how they were going to vote, then the recorded vote was requested. I believe the recorded—you've—

Ms. Catherine Fife: What have you got against recorded—

Mr. Yvan Baker: If I may finish. I believe you ruled that a recorded vote has to be requested before the question is called.

The Chair (Ms. Soo Wong): I just want to be very clear to everybody. I always ask, "Are there any questions and comments?" before the schedule or the sections get voted on. If you want a recorded vote, it is every member's responsibility to ask that before I go into the question. For this particular one, I already asked the question, so we're not going to be doing a recorded vote because I already asked the question.

I'm going to call the question again. All those in favour that schedule 5 be carried? It's now carried. All those opposed? Okay. All right, schedule 5 is now carried.

Dealing with schedule 6, section 1, there are no motions. Any questions or comments before I call the question? Seeing none, can I call the question? Shall schedule 6, section 1 be carried? All those in favour? Carried. All those opposed? It's carried.

Schedule 6, section 2: There are no motions put forward. Any questions and comments? Seeing none, can I call the question? Shall schedule 6, section 2 be carried? Carried.

Shall schedule 6, the entire schedule, be carried? Carried. All those opposed? Schedule 6 is now carried.

We are now on schedule 7, section 1. There are no motions put forward. Any questions and comments? Seeing none, I'm going to call the question. Shall schedule 7, section 1 be carried? Carried.

Mr. Arthur Potts: Chair?

The Chair (Ms. Soo Wong): Yes, Mr. Potts?

Mr. Arthur Potts: Can we bundle the sections that have no motions attached?

The Chair (Ms. Soo Wong): I could, but it's the will of the committee. What is the will of the committee?

Interjection.

The Chair (Ms. Soo Wong): You're fine with that? Okay. There's no motion. Is it okay with everybody? Okay, all right.

I'm going to go back now. Shall schedule 7, section 1 through to schedule 7, section 3, inclusive, be carried? Carried.

I'm going to ask the question: Shall schedule 7 be carried? Carried. Schedule 7 is now carried.

There is no motion put forward for schedule 8, so I'm going to bundle the entire section, 1 through 5, for the votes. Shall schedule 8, section 1 through to schedule 8, section 5, inclusive, be carried? Carried.

Shall schedule 8 be carried? Carried.

We're now on schedule 8, section 1. Are there any questions and comments?

Mr. Arthur Potts: Schedule 9?

The Chair (Ms. Soo Wong): Schedule 9, section 1: Any questions and comments? Seeing none, I'm going to call the question. Shall schedule 9, section 1 be carried? Carried.

I believe there is a motion before us: motion number 12. Ms. Albanese, do you want to read it for the record?

Ms. Laura Albanese: I move that section 48.1 of the Electricity Act, 1998, as set out in section 2 of schedule 9 to the bill, be amended by adding the following subsection:

"Internal transactions

"(7.1) Subsections (6) and (7) do not prevent or limit any transactions between Hydro One and any of its subsidiaries or between any of its subsidiaries."

The Chair (Ms. Soo Wong): Any questions or comments to the motion put forward by Ms. Albanese? Seeing no more speakers to this item, I'm going to call the question.

All those in favour of motion number 12? All those opposed to motion number 12? The motion is now carried. Motion 12 is carried.

Shall schedule 9, section 2, as amended, be carried? Any questions and comments first? Seeing none, all those in favour of schedule 9, section 2, as amended? Carried. All those opposed? Okay.

I'm now on schedule 9, section 3. I believe there are some motions here. Mr. Fedeli, do you want to move motion number 13?

Mr. Victor Fedeli: I move that section 48.2 of the Electricity Act, 1998, as set out in section 3 of schedule 9 to the bill, be amended by adding the following section:

"Cost-benefit analysis

"(0.1) The Minister of Finance shall prepare a cost-benefit analysis of the proposed sale of common shares of Hydro One Inc. by the Minister of Energy on behalf of Her Majesty in right of Ontario and shall table the analysis in the Legislative Assembly before December 31, 2015."

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The Chair (Ms. Soo Wong): Any questions or comments to this motion? Mr. Fedeli.

Mr. Victor Fedeli: I'll be as brief as I can, seeing the time. Look: When the Green Energy Act was passed—in November 2011, the Auditor General told us that the biggest reason for its catastrophic failure is the fact that no business plan was written.

When we saw the smart meter program being addressed by the newer Auditor General, she, too, said that the biggest reason this thing failed miserably and cost \$2 billion instead of \$1 billion was that no business plan was written.

So here we are. We're asking that a cost-benefit analysis, a business plan, be written for the sale of Hydro One. This is the biggest sale in our history, and we don't have a plan.

The Chair (Ms. Soo Wong): Ms. Albanese.

Ms. Laura Albanese: Yes, I just wanted to add that the government has already conducted independent analysis in regard to the cost and the benefits attendant upon the IPO and its impacts on the government's fiscal position. So all necessary relevant information has been received and it has been evaluated.

Further, the wording of the government's proposed bill would not prevent the conducting of a further cost-benefit analysis if more work in this regard is desired. So the proposed motion could actually delay the implementation of the government's policy by requiring further duplicative work. We don't want to duplicate the work that has been done already.

The Chair (Ms. Soo Wong): Thank you. Ms. Fife.

Ms. Catherine Fife: Thank you, Madam Chair. New Democrats have already called into question the current assessment on the sale of Hydro One, based on the work that Mr. Clark has done, and several well-known economists have challenged the assessments and evaluations as they are already put forward.

The fact of the matter is that this is the largest transfer of wealth from the public sector to the private sector in

the history of this province. Regardless of whether or not you do a cost-benefit analysis, the people of this province are losing at the end of it. So we're not going to support this motion and, obviously, not this bill.

The Chair (Ms. Soo Wong): Mr. McDonnell.

Mr. Jim McDonnell: We're looking at a project here, a corporation that has rung up a huge debt over the last 25 years, or—I'm sorry; the last 12 years. We just don't see the analysis showing it's getting paid off without raising rates.

Again, because we're selling off a number of these shares to the Power Workers' Union, using them to fund their pension, and now we're turning around and giving away 60% of the revenue for a debt that has been increasing, I think, almost \$20 billion over the last 12 years—what's going to pay this off? Again, rates will have to go up. We've been told, "Don't worry. The energy board will have to approve them." They have no choice but to approve these costs. The government cannot let this company fail. Interest rates go up. If they stay stable, they still have to pay off the debt, and we're not seeing this.

We're not seeing enough information to tell us if the government has looked at it. I think that if that information is there, it should be made public. We should be able to see that.

The Chair (Ms. Soo Wong): Mr. Baker.

Mr. Yvan Baker: What we're talking about here is a cost-benefit analysis. This issue received a tremendous amount of analysis oversight from some of the leading experts on the topic. The advice was received from the Premier's advisory council, led by Ed Clark, as well as from expert advisers, ministries and government. These are some of the most qualified people to be running this kind of analysis, and I think we've demonstrated through that process that we were serious about bringing in some of the most qualified people to review this, to running those cost-benefit analyses. That work has most certainly been done.

The Chair (Ms. Soo Wong): Ms. Fife.

Ms. Catherine Fife: Just on that: Mr. Clark promised to work pro bono. It actually cost the taxpayers of this province \$7 million in consulting fees to some very well-connected Liberal consulting agencies. There's a great disparity between the November analysis that Mr. Clark put forward and then the recommendation as it pertains to Bill 91.

Mr. Clark originally, in November, did not recommend the extent of the privatization of Hydro One in the fall. He did not. So there are great inconsistencies in the messaging from the government side on this, as there is with Mr. Clark's report.

The Chair (Ms. Soo Wong): Ladies and gentlemen, seeing that it's 10:15, by order of the House, I have to recess the committee until 2 o'clock this afternoon.

Mrs. Laura Albanese: We can't even vote on this yet?

The Chair (Ms. Soo Wong): It's 10:15. The clock ticks. That's what the rules of engagement are. I'm very sorry.

We'll resume the discussion at 2 o'clock this afternoon. Thank you.

The committee recessed from 1015 to 1400.

The Chair (Ms. Soo Wong): Good afternoon. When we recessed this morning, we were at motion number 13. My question for the committee members: Is there further debate on this particular motion, number 13? Do we have any more debate?

Mr. Victor Fedeli: This was my recorded vote.

The Chair (Ms. Soo Wong): Yes. Ms. Hoggarth?

Ms. Ann Hoggarth: I'll be suggesting that we vote against this motion because, as was said previously, the government already conducted an independent analysis regarding the costs and benefits attendant upon the IPO and its impact on the government's fiscal position. All necessary relevant information has been received and evaluated. The wording of the government's proposed bill will not prevent the conducting of further cost-benefit analysis if more work in this regard is desired.

Also, the requirement to table more analysis could cause further delay and could interfere with the processes which are intended to maximize the value in the market. I will be voting against this amendment.

The Chair (Ms. Soo Wong): Do we have any further discussion on this particular motion? Seeing none, I'm going to be calling the question. Mr. Fedeli has asked for a recorded vote; I just want everybody to know what we're about to do.

Ayes

Fedeli.

Nays

Albanese, Fife, Hoggarth, Milczyn, Potts.

The Chair (Ms. Soo Wong): The motion is defeated. Ms. Albanese?

Mrs. Laura Albanese: I would like to respectfully ask once again for unanimous consent to consider schedule 44 now. I may not have been clear this morning, so I just want to illustrate why.

Schedule 44 contains amendments to the Trillium Trust Act, and the government is putting forward amendments to confirm in law our commitment to dedicating all net proceeds gained from the sale of qualifying assets to the Trillium Trust. In addition, the government has put forward amendments that will make it clear that all net proceeds from broadening the ownership of Hydro One and from the sale of the LCBO head office lands, OPG head office properties and Lakeview generating station lands go to the Trillium Trust. These amendments—

Ms. Catherine Fife: Point of order, Madam Chair.

Mrs. Laura Albanese: Excuse me, can I finish, please?

Ms. Catherine Fife: On unanimous consent, we don't get—

Mrs. Laura Albanese: These are the amendments that the members opposite specifically requested—

Ms. Catherine Fife: No, there's no debate on unanimous consent. The member is actually introducing debate into this.

Mrs. Laura Albanese: No, no. I just wanted to explain why.

Ms. Catherine Fife: That would be debating. That's debating.

Mrs. Laura Albanese: No, it's not debating.

Ms. Catherine Fife: Yes, it is.

Mrs. Laura Albanese: It's because this morning it seemed that other members didn't understand why I was asking for unanimous consent for schedule 44—

Ms. Catherine Fife: It's debating. We understand.

Mrs. Laura Albanese: You agree with this too. I think you said that the funding that is supposed to be dedicated for infrastructure—

Ms. Catherine Fife: Again, Madam Chair, she's debating this unanimous consent motion. I'm saying no right now to unanimous consent.

The Chair (Ms. Soo Wong): Okay. Let's stop right here. Ms. Albanese is seeking unanimous consent to consider schedule 44. I just need to know, do we have unanimous consent?

Ms. Catherine Fife: No.

Interjection.

The Chair (Ms. Soo Wong): Okay. That's it.

We're going back to motion number 14. Mr. Fedeli, do you want to move your motion?

Mr. Victor Fedeli: No, it's not mine.

The Chair (Ms. Soo Wong): It's the government—sorry. Government side: Mr. Potts.

Mr. Arthur Potts: I move that subsection 48.2(1) of the Electricity Act, 1998, as set out in section 3 of schedule 9 to the bill, be struck out and the following substituted:

“Restriction on share ownership

“(1) No person or entity, and no combination of persons or entities acting jointly or in concert, may beneficially own or exercise control or direction over more than 10 per cent of any class or series of voting securities of Hydro One Inc. However, this restriction does not apply with respect to voting securities of Hydro One Inc. held by the minister on behalf of Her Majesty in right of Ontario.”

The Chair (Ms. Soo Wong): Okay. Are there any questions or comments to motion number 14? Ms. Fife?

Ms. Catherine Fife: Madam Chair, Hydro One should not be for sale. This government did not indicate to the people of this province that they were going to privatize Hydro One. This motion is just trying to throw a smokescreen on what they are actually doing. The NDP will not be supporting this government motion.

The Chair (Ms. Soo Wong): Mr. Potts.

Mr. Arthur Potts: I just want to clarify: This is really a technical amendment if we're changing the words “voting shares” for “voting securities.” It's pretty much what was already in the bill except for that minor tech-

nical change, and you'll see more of the same. Thank you.

The Chair (Ms. Soo Wong): Ms. Fife.

Ms. Catherine Fife: Madam Chair, if it was supposed to be in the bill, then you should have put it in the bill. Secondly, the bigger issue is that Hydro One should not be for sale.

The Chair (Ms. Soo Wong): Okay. Any other questions or comments? Mr. Fedeli.

Mr. Victor Fedeli: We'll be commenting on that change on one of the upcoming motions.

The Chair (Ms. Soo Wong): Okay, not for this. Do we have any questions or comments before I call the question? Seeing none, I'm going to call the question. All those in favour of motion number 14? All those opposed? Okay. The motion is passed.

We now have motion number 15. I believe it's the government side. Who will be reading this particular motion?

Mr. Arthur Potts: I'm happy to carry on.

The Chair (Ms. Soo Wong): I think Ms. Albanese is going to.

Mrs. Laura Albanese: Yes. I move that subsections 48.2(2), (3) and (4) of the Electricity Act, 1998, as set out in section 3 of schedule 9 to the bill, be amended,

(a) in subsection (2), by striking out “shares” wherever it appears and substituting in each case “voting securities”;

(b) in subsection (3), by striking out “voting shares” and substituting “voting securities”; and

(c) in subsection (4), by striking out “voting shares” wherever it appears and substituting in each case “voting securities”.

The Chair (Ms. Soo Wong): Any questions or comments? Ms. Fife.

Ms. Catherine Fife: Madam Chair, it's ironic that the government is going to such lengths to protect voting shares, otherwise known as the shareholders of this new public-private organization, when you didn't take this to the people of this province. You have no mandate to sell Hydro One, but you're willing to include amendments to make sure that voting shares and voting securities are all protected.

The Chair (Ms. Soo Wong): Any other questions or comments? All right. So I'm going to call the question.

All those in favour of motion 15? All those opposed? Motion 15 is carried.

I believe it is motion 16 that is before us; let me just check. Mr. Fedeli, do you want to move that motion?

Mr. Victor Fedeli: Thank you. I move that subsections 48.2(5), (6) and (7) of the Electricity Act, 1998, as set out in section 3 of schedule 9 to the bill, be struck out and the following substituted:

“Restriction on province's sale, etc.

“(5) The minister on behalf of Her Majesty in right of Ontario shall not sell, dispose of or otherwise divest any common shares of Hydro One Inc. if the sale, disposal or divestment would result in the minister on behalf of Her Majesty in right of Ontario owning a number of common

shares that is less than 50 per cent of the outstanding number of common shares of Hydro One Inc. as of the date that section 3 of schedule 9 to the Building Ontario Up Act (Budget Measures), 2015 came into force.”

The Chair (Ms. Soo Wong): Any questions or comments to this particular motion? Mr. Fedeli.

Mr. Victor Fedeli: I had asked for a recorded vote on this.

The Chair (Ms. Soo Wong): Okay. Mr. Milczyn first and then Ms. Fife.

Mr. Peter Z. Milczyn: We’re not going to be supporting this amendment. It’s contrary to the advice that we received from the advisory committee on the disposal of government assets. We had a number of experts look at it, and they looked at what the appropriate structure of this corporation should be. They advised us that selling up to 60% is the right thing to do to maximize the value, and that’s what I think we should stick with: the advice of experts.

The Chair (Ms. Soo Wong): Ms. Fife.

Ms. Catherine Fife: Thank you, Madam Chair. I would have liked to have heard the mover speak to the motion. My take on this, though, is that the motion allows Hydro One to issue shares to its employees for free, and this would be against the law for any other Ontario corporation. But this section creates a special exemption for the Business Corporations Act for Hydro One, so we won’t be supporting it.

The Chair (Ms. Soo Wong): Mr. Fedeli.

Mr. Victor Fedeli: Yes. I understand what Mr. Milczyn said, but I wanted to know: Was this the advice that the government was given by Ed Clark in November 2014 or when he turned 180 degrees around and gave contrary advice in 2015? Which one was that in?

1410

The Chair (Ms. Soo Wong): Mr. Milczyn.

Mr. Peter Z. Milczyn: It’s the best advice that we received, and we’re acting on it.

The Chair (Ms. Soo Wong): Mr. Milczyn, do you have any comments?

Mr. Peter Z. Milczyn: I just gave my comment: It’s the advice that we’re acting on.

The Chair (Ms. Soo Wong): Okay. Do we have any more questions and comments to motion number 16? It’s a recorded vote, according to Mr. Fedeli, so I’m going to be calling the question.

Ayes

Fedeli, Pettapiece.

Nays

Albanese, Baker, Fife, Hoggarth, Milczyn, Potts.

The Chair (Ms. Soo Wong): The motion is defeated.

I believe we have motion 17 before us. Who would like to speak on record? Ms. Albanese?

Mrs. Laura Albanese: Sure. I move that subsections 48.2(5), (6) and (7) of the Electricity Act, 1998, as set out in section 3 of schedule 9 to the bill, be struck out and the following substituted:

“Restrictions on province’s sale, etc.

“(5) The minister on behalf of Her Majesty in right of Ontario shall not sell, dispose of or otherwise divest any voting securities of Hydro One Inc. of any class or series of voting securities of Hydro One Inc. if the sale, disposal or divestment would result in the minister on behalf of Her Majesty in right of Ontario owning less than 40 per cent of the outstanding number of voting securities of that class or series.

“Maintaining provincial ownership

“(6) If, as a result of the issuance of additional voting securities of any class or series by Hydro One Inc., the minister on behalf of Her Majesty in right of Ontario owns less than 40% of the outstanding number of voting securities of that class or series, then the minister shall, subject to the approval of the Lieutenant Governor in Council and subject to the requirements set out in this section, take steps to acquire as many voting securities of that class or series of voting securities as are necessary to increase the minister’s ownership to not less than 40% of the outstanding number of voting securities of that class or series.

“When may acquire voting securities

“(7) The minister shall acquire voting securities in accordance with subsection (6) only if,

“(a) the Lieutenant Governor in Council has determined the manner by which, and the time by or within which, the voting securities shall be acquired and the minister acquires them in accordance with that determination; and

“(b) the minister’s actions and the acquisition comply with the Securities Act and any other applicable act or regulation.

“Funding

“(7.1) The money required for the purposes of subsection (6) shall be paid out of the money appropriated for those purposes by the Legislature.

“Reports

“(7.2) The minister shall table reports in the assembly from time to time regarding the steps the minister has taken under subsection (6).”

The Chair (Ms. Soo Wong): Okay. Any questions, comments to this motion number 17? Ms. Fife.

Ms. Catherine Fife: Clearly the government has realized that they haven’t protected themselves around the 40%. Under subsection 48.2, the government can only take steps to rectify a situation where it owns less than 40% of the shares, subject to the approval of the LG in Council. This is another unknown. What happens if the approval is not granted? That was a question. Sorry; this is for debate.

The Chair (Ms. Soo Wong): Ms. Albanese?

Mrs. Laura Albanese: The proposed amendments are to strengthen the requirement that the province own at least 40% of the voting securities at all times. By

removing the reference to the province's ownership dropping below 10% in 48.2(7) and by requiring the minister to buy additional shares to maintain that 40% level, this would prevent the province's interest becoming diluted.

The Chair (Ms. Soo Wong): Ms. Fife.

Ms. Catherine Fife: As a follow-up, though, the language is such that you are still leaving interpretation for the LG. If the Lieutenant Governor does not approve, there's still an unknown there.

Also, under subsection 48.2(7.2), it reads: "The minister shall table reports in the assembly from time to time" in regard to maintaining the 40% of the government ownership. Why isn't the language strengthened here to show clear lines of accountability? For example, it could read: "The minister shall table reports in the assembly 15 days after the proportion of provincial ownership falls below 40%." This amendment has missed an opportunity to actually demonstrate that the government is serious about the minister truly being accountable as it relates to the reporting structure. The NDP will not be supporting this amendment.

The Chair (Ms. Soo Wong): I've got two more to speak. Ms. Hoggarth.

Ms. Ann Hoggarth: Very clearly, in our hearings, we heard that there were concerns about the 10%—falling below—and we have addressed that with this amendment. Very clearly, we are listening. This amendment changes that. In addition, this motion would demonstrate the province's intention to take actions to return to the 40% in the event that the province's ownership is diluted. The amendments are required to signal the province's commitment to maintaining 40% ownership of Hydro One, even when ownership may become diluted in the future. We were listening.

The Chair (Ms. Soo Wong): Any other questions? Ms. Fife.

Ms. Catherine Fife: Just to that point: Very clearly, you haven't made it very clear, because there are two outstanding questions on this. Once again, we can't support it.

The Chair (Ms. Soo Wong): Any more speakers?

Ms. Ann Hoggarth: A recorded vote.

The Chair (Ms. Soo Wong): Okay, you want a recorded vote. I just to want make sure everybody knows: Motion 17 is a recorded vote.

Any more speakers? Seeing none, all those in favour of motion 17?

Ayes

Albanese, Baker, Hoggarth, Milczyn, Potts.

Nays

Fife.

The Chair (Ms. Soo Wong): The motion is carried.

Motion number 18: Mr. Baker, do you want to move the motion?

Mr. Yvan Baker: I move that subsection 48.2(11) of the Electricity Act, 1998, as set out in section 3 of schedule 9 to the bill, be struck out.

The Chair (Ms. Soo Wong): Any questions or comments to motion 18? Mr. Baker.

Mr. Yvan Baker: The proposed amendment is basically technical in nature. It would make terminology consistent with other terminology used in the Electricity Act, 1998, and will help avoid confusion of interpretation.

The Chair (Ms. Soo Wong): Any more questions and comments? Ms. Fife.

Ms. Catherine Fife: Once again, it's just amazing to us that the government is so concerned about terminology when the basic privatization of Hydro One is an act that is clearly undemocratic because you have no mandate to sell Hydro One—just to be consistent.

The Chair (Ms. Soo Wong): Any more comments and questions to motion 18? I'm going to call the question. All those in favour of motion 18? All those against motion 18? The motion is carried.

Shall schedule 9, section 3, as amended, be carried? All those in favour? All those opposed? Schedule 9, section 3, as amended, is carried.

I believe there is no motions for schedule 9, section 4, 5—because if you want, we could move this faster. Shall schedule 9, section 4 be carried? Any questions? Any comments? None. I'm going to call the question then. Shall schedule 9, section 4 be carried? Carried.

We're on schedule 9, section 5. Do we have any comments or questions to schedule 9, section 5?

Mr. Victor Fedeli: Isn't there an amendment?

The Chair (Ms. Soo Wong): No. That is a new subsection.

I'm talking about schedule 9, section 5. There are no motions for that section. Are there any comments and questions before I call the question? Seeing none, shall schedule 9, section 5 be carried? Carried.

Now we've got a new subsection here. I believe motion number 19 is before us. Mr. Baker, do you want to move the motion?

1420

Mr. Yvan Baker: I move that schedule 9 to the bill be amended by adding the following section:

"5.1. The act is amended by adding the following section:

"Holding corporation

"50.2.1(1) Despite subsection 48.2(5), if Her Majesty in right of Ontario is the only holder of voting securities of Hydro One Inc., the minister may transfer all of those voting securities to a corporation established under section 50.1, and if the minister does so, then the following rules apply on and from the completion of the transfer despite anything else in this act, but subject to the regulations under subsection (2):

"1. Every reference in this part and in the regulations under this part to Hydro One Inc. shall be deemed to be a

reference to that corporation established under section 50.1.

“2. Every other reference to Hydro One Inc. in this act and in the regulations and in any other act or regulation shall be deemed to include a reference to that corporation established under section 50.1.

“Regulations

“(2) The Lieutenant Governor in Council may make regulations clarifying or modifying the application of the rules set out in paragraphs 1 and 2 of subsection (1).”

The Chair (Ms. Soo Wong): Do you have questions and comments to motion number 19? Mr. Fedeli?

Mr. Victor Fedeli: I'm not even sure how to begin this one, Chair. This may be the single most heinous thing I have ever seen a government do.

Interjection.

Mr. Victor Fedeli: You can chuckle all you want; you may not even fully understand what you're about to do here. There are people in your party who do.

The surprise move, if you will, allows a new corporation to be created to sell Hydro One. This government is poised to ram through a bill, through these amendments, allowing a holding corporation, which would be immediately free from public scrutiny, to sell Hydro One at their leisure in secrecy. That's what you're about to do today, so you fully understand that. You can shake your heads all you want. This is what you're doing with this amendment. Between this one and the next one, these are major amendments that fundamentally change the entire transaction.

You can imagine our horror when we received this amendment package on Tuesday afternoon and looked at it. In fact, if you recall, you were driving us to Mount Forest at the time when I was reading the amendments in the vehicle. I called the office. I said, “This has to be wrong. This can't be what I'm reading.”

The plan by this government all along, it would appear, is what I'll go so far as to call a secret plan. That's why they didn't put this transfer of Hydro One into a holding corporation in the budget. They absolutely did not want the Legislature debating this all through the end of April and all of May and realizing how heinous this is, to bring this major change, and the next one as well, to a committee to have a few minutes of discussion when this fundamentally changes the deal.

This government will now be able to transfer Hydro One into a corporation away from all public scrutiny immediately—not later, but immediately—with no legislative debate about it. This is absolutely unbelievable, the trickery that this government has gone through, to, at the eleventh hour, bring pages, very detailed pages, that fundamentally change the deal. We've said it before, but now the seriousness of this comes to light: no more Auditor General, Ombudsman, Financial Accountability Officer, or Freedom of Information and Privacy Commissioner, amongst others. This is something that needed to be debated extensively: the transfer of this largest public asset into a holding corporation that we have no control over. Now all the negotiations can be done in

secret. We may never be able to get a hint of the deal. This is a shocking and embarrassing way for a democratic government to be functioning.

The Chair (Ms. Soo Wong): I've got Ms. Fife.

Ms. Catherine Fife: I would like to echo the concerns that Mr. Fedeli has eloquently put into the Hansard, because ultimately what this amendment does is change the history of public power and electricity distribution in the province of Ontario. Also, the very fact that it came to us via an amendment and was not part of the budget bill, so that we could actually thoroughly have a debate, a discussion and consultation on what happens here—essentially what happens here is that, even if the government retains all of the shares of Hydro One—which we know that they don't want to do; they're dead set on selling—all shares will be given to a corporation that is not yet established. It is precedent-setting. No other government has ever done anything like this in our history.

Basically we are handing this major public strategic asset to Bay Street in this amendment. This amendment should be defeated if you value the democracy of this province, if you value the shareholders who are the people who currently own Hydro One, the citizens of this province. They have not had a say in this transaction. As far as parliamentary language goes, this is a shady deal, very clearly. That's very clear. You can't deny it: You are moving the shares of a public asset to a corporation that has not yet even been created, and then you're removing all oversight. You're removing the people of the province from their right to have a say in how public power is distributed in the province of Ontario.

When we got this amendment, I have to tell you, the conversations that we had about where this government is—we never thought, and I'm pretty sure the people of this province never thought, that this government would stoop so low as to move an amendment on a budget bill that does this, that transfers shares to a corporation with no oversight, no accountability and no transparency.

You should not vote for this. On behalf of the people of this province, I'm pleading with you to vote down this amendment.

The Chair (Ms. Soo Wong): I'm going to Mr. Baker.

Mr. Yvan Baker: I'm disappointed to hear some of the language that was used. I think it's unparliamentary, frankly, but—

Mr. Victor Fedeli: This amendment is unparliamentary.

The Chair (Ms. Soo Wong): Mr. Fedeli, Mr. Baker has the floor.

Mr. Yvan Baker: It's unparliamentary, and I also think it's unfair to the members on this side.

There are a few things I would like to say. First of all, the government has been open and transparent about our plan to maximize the value of our assets. It was included in the 2014 Liberal platform and the 2014 Ontario budget. In fact, the NDP ran on a very similar plan.

In October, the advisory council released their interim report. The final report was made public before the budget. We have been debating this issue in this House

for months; that will continue, and legislation will be subject to public hearings and debate.

Since forming the Premier's Advisory Council on Government Assets—

Interjection.

Mrs. Laura Albanese: We listened to you, so we want to finish.

Interjection.

The Chair (Ms. Soo Wong): Okay. Just let me get Mr. Baker finished first.

Mr. Yvan Baker: Since forming the Premier's Advisory Council on Government Assets in April 2014, the council has consulted widely. The panel's report is not ideological. It is evidence-based, and there's support from all sides of the political spectrum, including the Power Workers' Union and former NDP cabinet minister Frances Lankin. That's speaking to the issue of transparency and openness that was addressed, and the issue of valuing democracy as well.

1430

With regard to the amendment itself, this is really a technical amendment. It just basically facilitates the IPO. That's the purpose. So this proposed corporate structure that's included in this amendment is consistent with other publicly traded utilities.

The reason, I understand, that there are concerns about the government's adoption of the Premier's advisory council's recommendations—the opposition has made that clear. But the reason the government is proceeding with this is to make those necessary investments in infrastructure that we all know are required to support our economy and to support our quality of life.

While all that's happening—and I want to go back to something that I mentioned before—Hydro One will continue to be regulated, and there are a number of measures that we've taken to make sure that there's oversight and make sure that there's regulation, first of all.

Denis Desautels, the former Auditor General of Canada, will ensure that there's fairness throughout the IPO process. The Ontario Energy Board will continue to have oversight of the company and approve its rates. It's the OEB that sets rates. We will introduce legislation to strengthen the OEB, to reinforce that.

Hydro One will continue to be regulated by the Ontario Business Corporations Act and the Ontario Securities Act and will continue filing information with the Ontario Securities Commission. Hydro One will disclose compensation of the CEO, CFO and three other highest-paid executives of the corporation each year.

We have proposed some transition time for officers of the Legislature to conclude the work that they have under way, and the government will retain a significant control in a number of ways. First of all, we retain a minimum of 40% of the board of directors, a minimum of 40% ownership. That's what we just discussed in one of the previous motions. Any major decisions require a two-thirds vote of the board, and that would, therefore, require that the government agree to those major decisions, and the government retains the power to unilaterally dismiss the board.

This has been a transparent process. This is a process that allows us to make those investments in infrastructure while making sure that oversight and regulation of Hydro One remains in place.

The Chair (Ms. Soo Wong): I have Mr. Fedeli.

Mr. Victor Fedeli: If you think the words “heinous” or “sneaky” are unparliamentary, this amendment is unparliamentary. They talk about this whole Hydro One sale being open and transparent, except the single greatest change in our public ownership came in the form of an amendment on a Tuesday where we're only debating this on a Thursday. There is absolutely nothing open or transparent about this.

I've got to say, Chair, I'm not entirely sure that the committee fully understands what the government is doing, and I'm referring, respectfully, to the government members of the committee. I don't know if they told you what you are doing, but you are taking Hydro One in an amendment, not in the budget bill—in an amendment. You can't tell me this was only discovered Tuesday. “Oh, we better transfer the entire multi-billion-dollar corporation into a holding company, and we'd better do it on Tuesday with an amendment.”

This is the biggest transfer of a government asset that's going to happen, and you're doing it with an amendment. That's what's happening here. You said we've been debating this issue for months. Well, no. We got this on Tuesday.

This is not the issue we've been debating. We've been debating the sale of Hydro One. You have made this, the transfer of Hydro One, overnight, snap of a finger, and the biggest single transfer in our assets will be done by a couple of amendments. That, to me, is unparliamentary.

The Chair (Ms. Soo Wong): Ms. Fife.

Ms. Catherine Fife: I was going to make some of the same points as Mr. Fedeli. When you get an amendment of this nature so late on a Tuesday—we've never seen anything like this. This is my third go-round of a budget bill.

It's passed off as some sort of technicality, and it's not. This is not specifically just a technicality. It should have been put forward a long time ago. I can see that some of the members are a little bit surprised. It's even more ambiguous than it was in the beginning. We have raised concerns around the lack of oversight as a whole going forward. I'm not sure that you as members even understood the weight of this amendment, but when we got it, we did.

If this amendment had been allowed to be debated in the Legislature, the public would have come in. This is something that they understand. They don't understand the 60% to 40%. When the government says, “We're going to maintain a majority,” I'm not sure in what lexicon 40% out of 100% is a majority. It just is not.

The assurances that Mr. Baker has given us—you're moving forward with some action where there's already such great mistrust right now with this government and the people of the province. I don't think that we could be any more clear on why we disagree with this amendment. I'm not sure why the government thinks it's okay.

I think it should be ruled out of order because it's so drastic, Madam Chair. When the Clerk's office received this amendment, were they not concerned? This is a procedural question for the Clerk's office. The Clerk has the responsibility to the Legislature to make sure that everything that happens in this finance committee and in this bill is actually legal. Has any other government ever tried to transfer a public asset to a corporation that doesn't exist?

Interjection.

The Chair (Ms. Soo Wong): Ms. Fife, to the question you have asked, I was informed that procedurally, the motion is not illegal.

Ms. Catherine Fife: It's not legal.

The Chair (Ms. Soo Wong): Illegal.

Ms. Catherine Fife: It's not illegal. That's a big difference.

The Chair (Ms. Soo Wong): Procedurally.

Are there any comments, Ms. Fife, before we go on?

Ms. Catherine Fife: No, I think I've said everything I had to say.

The Chair (Ms. Soo Wong): Mr. Baker.

Mr. Yvan Baker: I stand by what I said.

The Chair (Ms. Soo Wong): Mr. Fedeli.

Mr. Victor Fedeli: Recorded vote, please.

The Chair (Ms. Soo Wong): A recorded vote is being asked for. Are there any more questions and comments before I call the question?

Ayes

Albanese, Baker, Hoggarth, Milczyn, Potts.

Nays

Fedeli, Fife, Pettapiece.

The Chair (Ms. Soo Wong): Motion number 19 is carried.

Ms. Albanese.

Mrs. Laura Albanese: Yes, I'd like to withdraw motion number 20.

The Chair (Ms. Soo Wong): Okay. Motion 20 is now withdrawn.

We're now on schedule 9, section 6. I just want to check with the committee because we have no motions for schedule 9, sections 6, 7 and 8. Is it all right with the committee that we bundle them together? Is that good with everybody? I see yes.

I'm going to say schedule 9, sections 6, 7 and 8, inclusive. Shall that particular schedule 9, sections 6, 7 and 8, be carried? Carried. Thank you.

I believe there is a motion before us, motion number 21 on schedule 9, section 9. Mr. Baker.

1440

Mr. Yvan Baker: I move that subsection 9(2) of schedule 9 to the bill be amended by striking out "5, 7" and substituting "5, 5.1, 7".

The Chair (Ms. Soo Wong): Okay. Any comments? Mr. Fedeli.

Mr. Victor Fedeli: I'm going to make a comment, but I will ask for a recorded vote.

The Chair (Ms. Soo Wong): Recorded vote, okay.

Mr. Victor Fedeli: This amendment allows whichever of the last two amendments that passed to be proclaimed. That's basically what this amendment does. I just want to make a comment because this pertains to those two, even though one was withdrawn. The one that was withdrawn is the lighter of the two. It specifically named the officers who would no longer have access to this new company. This 21 that we're voting for enacts the one that captures everybody in case there happens to be a new office that would be created. It excludes offices that haven't even been created yet to keep an eye on these guys, where the one that was withdrawn would have cut only the Auditor General, the Broader Public Sector Accountability Act, the Broader Public Sector Executive Compensation Act, the Financial Accountability Officer, the Financial Administration Act, the Freedom of Information and Protection of Privacy Act and the Management Board of Cabinet. That was 20, which was withdrawn; 19, the one that we did, is more overarching and captures more of things that haven't even been created yet. What we're about to do, then, is give the blessing to the one that is the one that I refer to as heinous.

The Chair (Ms. Soo Wong): Any comments? Any further comments or questions? Mr. Baker?

Mr. Yvan Baker: I'm just going to say it again: This is a technical amendment.

The Chair (Ms. Soo Wong): Okay. Any more questions or comments? Ms. Fife.

Ms. Catherine Fife: This argument around technical amendments—I don't know if you just heard the member from Nipissing. If we want to have a sober second thought, if you will, about the privatization of Hydro One, even future governments—you're tying the hands of future governments.

Put this in the context of the 407. Wouldn't you like, as a government, to have had a chance to go back and revisit the terms and conditions of that contract? Of course you would, because that was not a contract that was negotiated in the best interest of the people of this province. When this motion passes, and obviously it's going to pass, even if we wanted to create a specific electricity officer independent of the Legislature who could actually inject themselves into this corporation which now has shareholders at the forefront instead of the citizens—you're tying the hands of future governments, including yourselves, including us and the PCs. That's what's happening with this amendment.

I'm not sure if people understand the gravity of what's happening here today. I don't know if I'm making myself clear. Anyway, of course we're not going to support this.

The Chair (Ms. Soo Wong): Okay. Any more comments or questions? I believe there is a recorded vote.

Ayes

Albanese, Baker, Hoggarth, Milczyn, Potts.

Nays

Fedeli, Fife, Pettapiece.

The Chair (Ms. Soo Wong): Okay. The motion is carried.

Shall schedule 9, section 9, as amended, be carried? Carried.

I'm going to call the next question. Shall schedule 9, as amended, be carried?

Ms. Catherine Fife: Recorded vote.

The Chair (Ms. Soo Wong): What was that? Oh, you want a recorded vote. Okay.

Mr. Yvan Baker: Chair—

Ms. Catherine Fife: She was looking down. She wasn't looking up. She didn't have an opportunity to look at the audience.

Mr. Yvan Baker: Chair, I thought your ruling previously was pretty clear that if someone wants a recorded vote, they have to do it before you call the vote, and you called the vote.

The Chair (Ms. Soo Wong): Okay. I'm just going to be on the record: Please tell both the Clerk and myself in advance, like Mr. Fedeli did earlier, as we go into each section and schedule, which ones you want for a recorded vote. Okay? I'm going to let it go. I hear that there's a recorded vote for schedule 9, as amended. Please raise your hands.

Shall schedule 9, as amended, be carried?

Ayes

Albanese, Baker, Hoggarth, Milczyn, Potts.

Nays

Fedeli, Fife, Pettapiece.

The Chair (Ms. Soo Wong): Schedule 9, as amended, is now carried.

Mr. Victor Fedeli: I have a question.

The Chair (Ms. Soo Wong): Yes, Mr. Fedeli?

Mr. Victor Fedeli: It's more for the Clerk, if you don't mind.

The two, Bill 91, NDP, and Bill 91, PC—that's the one we just handled—they were notices only? That's the one we just voted on?

The Clerk of the Committee (Mr. Katch Koch): Yes.

Mr. Victor Fedeli: And we're moving on to 22?

The Chair (Ms. Soo Wong): Yes. We're going to be going to 22. Just to remind everybody, if it's a notice, it's just to inform everybody in the committee what your intention is as your party. It's not a motion, so there's nothing to talk about.

Right now, we're dealing with motion 22. Mr. Fedeli, do you want to move the motion?

Mr. Victor Fedeli: I move that section 16.1(1) of the Financial Accountability Officer Act, 2013, as set out in section 1 of schedule 10 to the bill, be amended by striking out "on and after the date on which the Building Ontario Up Act (Budget Measures), 2015 received royal assent" at the end and substituting "on and after the date on which the Minister of Energy on behalf of Her Majesty in right of Ontario owned less than 50 per cent of the outstanding common shares of Hydro One Inc. as of the date that section 3 of schedule 9 to the Building Ontario Up Act (Budget Measures), 2015 came into force."

The Chair (Ms. Soo Wong): Any questions and comments to motion 22? Mr. Potts?

Mr. Arthur Potts: This is another one of the same type of amendment we've already dealt with numerous times. The same rationale stands. We can't support this motion.

The Chair (Ms. Soo Wong): Any other comments? Mr. Fedeli.

Mr. Victor Fedeli: This gives us a shot, if you will, Chair, after all of the other ramming-through, that the Financial Accountability Officer does not lose oversight of the utility until after it becomes more than 50% private. The budget, the way it is now, currently removes this oversight the day the bill passes.

The Chair (Ms. Soo Wong): Any more questions and comments to motion 22? I'm about to call the question. All those in favour of motion 22? All those opposed? It's defeated.

Mr. Pettapiece, do you want to move motion 23?

Mr. Randy Pettapiece: I move that section 16.1(3) of the Financial Accountability Officer Act, 2013, as set out in section 1 of schedule 10 to the bill, be amended by striking out "on the first anniversary of the date on which the Building Ontario Up Act (Budget Measures), 2015 received royal assent" at the end and substituting "on the first anniversary of the date on which the Minister of Energy on behalf of Her Majesty in right of Ontario owned less than 50 per cent of the outstanding common shares of Hydro One Inc. as of the date that section 3 of schedule 9 to the Building Ontario Up Act (Budget Measures), 2015 came into force."

The Chair (Ms. Soo Wong): Any questions or comments on motion 23? Seeing none, I'm going to call the question. All those in favour of motion 23? All those opposed to motion 23? It's defeated.

Shall schedule 10, section 1, be carried? Carried.

There is no motion for schedule 10, section 2. Are there questions or comments on that particular section? Seeing none, I'm going to call the question. Shall schedule 10, section 2, be carried? Carried.

Shall schedule 10 be carried? Carried.

We're now on schedule 11, section 1. Motion 24: Mr. Pettapiece?

1450

Mr. Randy Pettapiece: I move that subsection 1(2) of schedule 11 to the bill be struck out.

The Chair (Ms. Soo Wong): Okay. Any questions and comments to motion 24? Mr. Fedeli.

Mr. Victor Fedeli: Just an explanation of what that is: This amendment removes those newly created exemptions for the ORPP Administration Corp. and Hydro One that allow them not to be deemed public companies. By keeping them within the act, these companies would have to publish their financial statements, as well as be subject to the financial regulations imposed by the minister. That's why we're presenting this amendment.

The Chair (Ms. Soo Wong): Any more questions and comments? Ms. Hoggarth?

Ms. Ann Hoggarth: I advise that we vote against this—

Interjection.

Ms. Ann Hoggarth: Pardon me?

The Chair (Ms. Soo Wong): Please, no crosstalk. Ms. Hoggarth, you have the floor.

Ms. Ann Hoggarth: Thank you. The purpose of the nominating committee is to identify individuals with the skills and expertise required to fulfill the responsibility of board members. Our legislation does not prevent a labour representative from being appointed. We have been actively engaging with representatives from labour throughout the development of this plan.

Murray Gold, a prominent lawyer and the managing partner at Koskie Minsky, is a member of our Technical Advisory Group on Retirement Security and has extensive experience working with labour. He is a senior practitioner in the pension and benefits area and advises pension funds, trade unions and employee groups on pension governance and restructuring, with a special emphasis on jointly sponsored and governed plans.

We are working to ensure that we're identifying the best candidates, based on their experience, in recruitment, and we think this is the best way to go.

The Chair (Ms. Soo Wong): Any more questions and comments to motion 24? All right, I'm going to call the question. All those in favour of motion 24? All those opposed to motion 24? Motion 24 is defeated.

Shall schedule 11, section 1, be carried? Carried.

I notice that—yes, Ms. Hoggarth?

Ms. Ann Hoggarth: Can we bundle these all the way down to 12?

The Chair (Ms. Soo Wong): Thank you. I notice that for schedule 11, section 2, all the way down to section 12, there are no motions put forward. Is that all right with the committee, that we bundle them together and vote inclusively? Okay. Shall schedule 11, section 2 to section 12, inclusive, be carried? Carried. Thank you.

I believe we have some motions on schedule 11, section 13. Motion number 25: Mr. Pettapiece, do you want to move your motion?

Mr. Randy Pettapiece: I move that subsection 13(1) of schedule 11 to the bill be amended by striking out "Subject to subsections (1) and (2)" and substituting "Subject to subsection (3)".

The Chair (Ms. Soo Wong): Okay. Any questions and comments to motion 25? Seeing none, I'm going to call the question.

All those in favour of motion 25? All those opposed to motion 25? The motion is defeated.

Mr. Pettapiece, do you want to move the next motion, motion 26?

Mr. Randy Pettapiece: Yes. I move that subsection 13(2) of schedule 11 to the bill be struck out.

The Chair (Ms. Soo Wong): Any questions or comments to motion 26? Ms. Albanese.

Ms. Laura Albanese: I think that this relates to motions 24 and 26, and basically could prevent the ORPPA from being excluded from the definition of a public entity. We're trying to design the ORPP in the best possible way and to have the best possible plan for the people of Ontario. As Ms. Hoggarth said before, we've listed all the reasons. This goes against that same principle.

The Chair (Ms. Soo Wong): Any other comments and questions to motion 26? Can I call the question? All those in favour of motion—yes?

Ms. Ann Hoggarth: Is this 25 or 26?

The Chair (Ms. Soo Wong): It's 26. We're at motion 26.

Ms. Ann Hoggarth: Thank you.

The Chair (Ms. Soo Wong): All those in favour of motion 26? All those opposed to motion 26? Motion 26 is defeated.

Shall schedule 11, section 13, be carried? Carried.

Shall schedule 11 be carried?

Ms. Catherine Fife: Recorded vote.

The Chair (Ms. Soo Wong): I hear that there is a request for a recorded vote for schedule 11.

Ayes

Albanese, Baker, Hoggarth, Milczyn, Potts.

Nays

Fedeli, Fife, Pettapiece.

The Chair (Ms. Soo Wong): Schedule 11 is carried.

With schedule 12, section 1, there are no amendments. I believe that for schedule 12, sections 1 and 2, there are no motions put forward. Can we do it together, inclusive? Shall schedule 12, sections 1 and 2, be carried? Thank you.

Shall schedule 12 be carried? Thank you.

We are now on motion 27. Mr. Fedeli or Mr. Pettapiece.

Mr. Randy Pettapiece: I'll do it.

The Chair (Ms. Soo Wong): Mr. Pettapiece.

Mr. Randy Pettapiece: I move that subsection 1(1) of schedule 13 to the bill be struck out.

The Chair (Ms. Soo Wong): We're on motion 27. Are there any questions or comments? Mr. Fedeli.

Mr. Victor Fedeli: This amendment, Chair, removes the exemption for Hydro One and the ORPP Administration Corp. from freedom-of-information requests and the privacy commissioner's purview.

The Chair (Ms. Soo Wong): Ms. Albanese?

Mrs. Laura Albanese: I just wanted to point out that our rationale is that the exemption from FIPPA is necessary for the ORPPAC to align with existing pension plans. We are benchmarking our accountability measures against others in the industry; therefore, the legislation contains provisions to protect the privacy of personal information. This also allows for plan members to have access to information about their contributions.

We've been working closely with the Information and Privacy Commissioner to ensure that the most appropriate information and privacy regulations are put in place, and we will continue to do so going forward.

The Chair (Ms. Soo Wong): Ms. Fife?

Ms. Catherine Fife: We're going to be supporting this motion. We've raised some serious concerns around accountability and transparency, especially at the ORPP, especially at the higher level around executive compensation. We want to know what's going on in the ORPP Administration Corp. We think that the people of this province have the right to know what's happening and have full disclosure, so we appreciate the fact that the PCs have brought forward this motion and we will be voting for it.

The Chair (Ms. Soo Wong): Okay. Any more comments and questions to motion 27? All right, I'm going to call the question. All those in favour of motion 27? All those opposed to motion 27? It's defeated.

Motion 28: Mr. Pettapiece?

Mr. Randy Pettapiece: I move that subsection 65.3(2) of the Freedom of Information and Protection of Privacy Act, as set out in subsection 1(2) of schedule 13 to the bill, be amended by striking out "on and after the date on which the Building Ontario Up Act (Budget Measures), 2015 received royal assent" at the end and substituting "on and after the date on which the Minister of Energy on behalf of Her Majesty in right of Ontario owned less than 50 per cent of the outstanding common shares of Hydro One Inc. as of the date that section 3 of schedule 9 to the Building Ontario Up Act (Budget Measures), 2015 came into force."

The Chair (Ms. Soo Wong): Any questions and comments to motion 28? Mr. Milczyn?

Interjection.

The Chair (Ms. Soo Wong): Mr. Milczyn first.

Mr. Peter Z. Milczyn: We'll be opposing this, for the same reasons as stated before. We had very clear advice from the Premier's advisory council on how to structure the new Hydro One, to position it to be a growth company and to maximize its value through the share offering.

There will continue to be strong accountability measures through the Ontario securities and exchange commission and other laws that govern publicly traded companies. This would undermine our efforts.

The Chair (Ms. Soo Wong): Mr. Fedeli?

Mr. Victor Fedeli: The Premier did indeed get very clear advice. She heard, as all the Legislature heard very loudly and clearly, from the eight legislative officers.

1500

This amendment would change the commencement provision to after Hydro One became 50% private. This would allow for freedom-of-information requests and privacy commissioner oversight until then. This is exactly what the eight legislative officers—we're talking about the Auditor General, the privacy commissioner, the Integrity Commissioner, the Ombudsman, FIPPA—all of these officers, in an historic letter, got together and jointly signed it, asking for these changes. This is the one that is included in it.

The Chair (Ms. Soo Wong): Any more comments and questions? Are we ready for the vote on motion 28? All those in favour of motion 28? All those opposed to motion 28? It's defeated.

Okay, we're dealing with motion 29. Mr. Pettapiece.

Mr. Randy Pettapiece: I move that subsection 65.3(7) of the Freedom of Information and Protection of Privacy Act, as set out in subsection 1(2) of schedule 13 to the bill, be amended by striking out "on the first anniversary of the date on which the Building Ontario Up Act (Budget Measures), 2015 received royal assent" at the end and substituting "on the first anniversary of the date on which the Minister of Energy on behalf of Her Majesty in right of Ontario owned less than 50 per cent of the outstanding common shares of Hydro One Inc. as of the date that section 3 of schedule 9 to the Building Ontario Up Act (Budget Measures), 2015 came into force."

The Chair (Ms. Soo Wong): Any questions and comments to motion 29? Mrs. Albanese.

Mrs. Laura Albanese: Again, as we reiterated earlier, to maximize the value of Hydro One, the recommendation has been to put Hydro One Inc. on an equal footing with other publicly traded corporations. This requires removing some of the government's oversight mechanisms that are unique to corporations owned or controlled by the crown.

It doesn't mean that Hydro One will not have oversight. It will be subject to the same oversight as all other publicly traded companies. That's to give it an equal footing with those companies.

The Chair (Ms. Soo Wong): Any more comments or questions? No? Anybody? I'm going to call the question. All those in favour of motion 29? All those opposed to motion 29? Motion 29 is defeated.

Motion 30: Mr. Pettapiece.

Mr. Randy Pettapiece: I move that subsection 1(2) of schedule 13 to the bill be struck out.

The Chair (Ms. Soo Wong): Any questions or comments to motion 30? Can I call the question? All those in favour of motion 30? All those opposed to motion 30? Motion 30 is defeated.

Motion 31: Mr. Pettapiece, do you want to move the motion?

Mr. Victor Fedeli: It's a government motion.

The Chair (Ms. Soo Wong): Oh, government; sorry. Mrs. Albanese?

Mrs. Laura Albanese: It's a government one.

I move that subsections 65.3(5), (6) and (7) of the Freedom of Information and Protection of Privacy Act, as set out in subsection 1(2) of schedule 13 to the bill, be struck out and the following substituted:

“Same, transition

“(5) Despite subsection (2), for a period of six months after the date described in that subsection,

“(a) the commissioner may continue to exercise all of his or her powers under section 52 (inquiry) and clause 59(b) (certain orders) in relation to Hydro One Inc. and its subsidiaries with respect to matters that occurred and records that were created before that date; and

“(b) Hydro One Inc. and its subsidiaries continue to have the duties of an institution under this act in relation to the exercise of the commissioner’s powers mentioned in clause (a).

“Continuing authority to issue orders, etc.

“(6) The powers and duties of the commissioner to issue orders under section 54 and clause 59(b) with respect to matters mentioned in subsection (5) continue for an additional six months after the expiry of the six-month period described in that subsection.

“Orders binding

“(7) An order issued within the time described in subsection (6) is binding on Hydro One or its subsidiaries, as the case may be.

“Repeal

“(8) Subsections (4), (5), (6) and (7) and this subsection are repealed on a day to be named by proclamation of the Lieutenant Governor.”

The Chair (Ms. Soo Wong): Any questions or comments to motion 31? Mr. Baker.

Mr. Yvan Baker: I just wanted to ask for a recorded vote, when you call the vote.

The Chair (Ms. Soo Wong): A recorded vote has been asked for. Okay. Any questions and comments? Mr. Potts?

Mr. Arthur Potts: I just wanted to put it on the record that clearly we were listening, and this is one of those occasions when one of the administrative bodies came to us with a very clear, reasonable request for why the timeline should be extended. We listened, and we acted.

The Chair (Ms. Soo Wong): Mr. Fedeli?

Mr. Victor Fedeli: I have to respond. If you were listening, you would have passed one of our previous amendments that take it all the way. This is a half-baked solution, yet again.

The Chair (Ms. Soo Wong): Okay. Mr. Baker?

Mr. Yvan Baker: I just wanted to reiterate the point that my fellow member Mr. Potts has made. I do think this is an example of our listening to Ontarians. We’re proud of the balanced amendments that we have brought forward in this budget.

I also note that there are several motions relating to the Liquor Control Act we’ll be covering later on. Again, they’ll assist in the modernization of alcohol regulation in Ontario, while confirming the historic authority for some past practices, such as the LCBO’s setting of different prices for beer sold to licensees under the

Liquor Licence Act. Again, those are more examples of how we’re listening.

The Chair (Ms. Soo Wong): Mr. Pettapiece?

Mr. Randy Pettapiece: Sorry, I was stretching.

The Chair (Ms. Soo Wong): Oh. I saw a hand up. Okay.

Any more speakers? I’m going to call the question. This is now a recorded vote.

Ayes

Albanese, Baker, Hoggarth, Milczyn, Potts.

The Chair (Ms. Soo Wong): Okay, so the motion carries.

Shall schedule 13, section 1, as amended, be carried? Carried.

We’re now dealing with motion 32. Mr. Pettapiece?

Mr. Randy Pettapiece: I move that subsection 2(1) of schedule 13 to the bill be amended by striking out “Subject to subsection (2)”.

The Chair (Ms. Soo Wong): Any questions, comments to motion 32? Can I call the question? All those in favour of motion 32? All those opposed to motion 32? Motion 32 is defeated.

Motion 33: Mr. Pettapiece.

Mr. Randy Pettapiece: I move that subsection 2(2) of schedule 13 to the bill be struck out.

The Chair (Ms. Soo Wong): Any questions or comments to motion 33? I see none. I’m going to call the question. All those in favour of motion 33? All those opposed to motion 33? It’s defeated.

Shall schedule 13, section 2 be carried? Carried.

Shall schedule 13, as amended, be carried?

Mr. Peter Tabuns: Recorded vote.

The Chair (Ms. Soo Wong): Mr. Tabuns, just so you know, I’ve said it very clearly—I’m sorry you came in late—that both the Clerk and I need to know before. I’m going to let you go and we’re going to do a recorded vote, but here on forward, please advise us early, because I will—

Mr. Peter Tabuns: I’ll advise you very early, Chair, and I appreciate your courtesy.

The Chair (Ms. Soo Wong): Thank you.

Okay. As a courtesy, this is a recorded vote for schedule 13, as amended.

Ayes

Albanese, Baker, Hoggarth, Milczyn, Potts.

Nays

Fedeli, Pettapiece, Tabuns.

The Chair (Ms. Soo Wong): Okay. The schedule is now carried.

We're now dealing with schedule 14. I believe there are no motions for schedule 14, sections 1 and 2. Can we do that—

Mr. Peter Tabuns: Early on, I will want a recorded vote.

The Chair (Ms. Soo Wong): For this schedule?

Mr. Peter Tabuns: Yes.

The Chair (Ms. Soo Wong): Okay, for schedule 14.

Interjection: That's early.

Mr. Peter Tabuns: That's early, yes. I'm giving you a lot of notice, Chair.

The Chair (Ms. Soo Wong): Thank you. I appreciate that. This is good notice.

So for schedule 14, sections 1 and 2, there are no motions. Can we vote on both of these inclusively? Is that the will of the committee?

1510

Mr. Peter Tabuns: We can as long as we have a recorded vote.

The Chair (Ms. Soo Wong): A recorded vote. That's fine.

Mr. Tabuns has requested a recorded vote for schedule 14, sections 1 and 2.

Ayes

Albanese, Baker, Hoggarth, Milczyn, Potts.

Nays

Fedeli, Pettapiece, Tabuns.

The Chair (Ms. Soo Wong): Schedule 14, sections 1 and 2, is now carried.

I believe there is a motion 34. Mr. Pettapiece or Mr. Tabuns, do you want to—it's motion 34.

Mr. Randy Pettapiece: All right.

The Chair (Ms. Soo Wong): Mr. Pettapiece.

Mr. Randy Pettapiece: I move that section 3 of schedule 14 to the bill be struck out and the following substituted:

"3. Subsection 2(1) of the act is repealed and the following substituted:

""Requirements re: advertisements

""Application

""(1) This section applies with respect to any advertisement that a government office proposes to pay to have,

""(a) published in a newspaper or magazine;

""(b) displayed digitally or on a billboard;

""(c) broadcast on television, radio or any similar medium;

""(d) displayed on a public transit advertisement; or

""(e) broadcast in a cinema."

The Chair (Ms. Soo Wong): Any comments or questions? Mr. Fedeli.

Mr. Victor Fedeli: Well, this opens a whole new chapter of debate now, Chair, and I thank you for the opportunity. This is an amendment that was actually re-

quested in the Auditor General's commentary. It specifically lays out what type of ads the auditor can review, and the auditor feels that this particular arrangement of the section is less restrictive. It's very clear that their office should review all ads from the government.

We are presenting this as an amendment, not simply as a courtesy to the Auditor General, but it is our core belief that she is right to challenge the change that is being made. This change leads to so much opportunity for partisan advertising that for her to come out with a report specifically on this—that's quite surprising for an auditor to have to do.

If you don't even know anything about this, then at least, at the very least, we should be considering thoughtfully what the Auditor General is suggesting to this Legislature. Indeed, this amendment is one of those very thoughts.

The Chair (Ms. Soo Wong): Okay. I've got Mr. Baker first.

Mr. Yvan Baker: I would argue that we should not support this motion. I think we need clear, objective definitions of digital advertising through regulation, to make sure we can be adaptable to digital media in the future. Additionally, the PC amendment creates ambiguity by adding television, radio or a similar medium, in brackets, without clarifying what such a similar medium might be. It's unclear.

I also wanted to address something that Mr. Fedeli said. Ontario is the first and only jurisdiction in Canada, and actually one of the few in the world, to enact legislation that bans government-paid partisan advertising in newspapers, magazines, radio and television. The government passed this legislation because we are against the government using taxpayer dollars for partisan advertising. That was the position in 2004 when that legislation was passed, and that is the position today.

The 2015 budget would modernize the act. The changes that we're proposing give the Auditor General oversight of digital advertising, as well as transit and movie theatre ads. The Auditor General herself has called for this. Earlier, the members opposite were talking about how we're not listening and we're not consulting. That's an example of how we're consulting. We're doing that. We respect the Auditor General and her perspective, and that's why we're doing that.

The government has a responsibility, I believe, to communicate information about the programs and services that people need. Examples are things like children's vaccines, tax changes, transit programs etc. The public has a right to know how tax dollars are being spent, and why the government is bringing forward policy changes. I think I've explained the background on the government's position on advertising and why we're opposed to this particular motion.

The Chair (Ms. Soo Wong): Okay. I've got Mr. Milczyn, then Mr. Tabuns.

Mr. Peter Z. Milczyn: I want to echo what Mr. Baker said, especially on the issue of digital advertising. As we all know, digital media continually evolve, so putting

into legislation one particular way of describing it isn't necessarily going to work a year or two or three from now. That's why there's a need for the minister to be able to define through regulation as new and evolving media are developed.

Beyond that, I have to say, I think this amendment was incorrectly placed with our Clerk. I really think it should have been placed in the House of Commons to Mr. Harper's government, asking them to actually come up with legislation that would define partisan advertising and put a stop to it.

The Chair (Ms. Soo Wong): Mr. Tabuns.

Mr. Peter Tabuns: I'm going to be supporting this amendment put forward by the PCs. I think it makes sense to expand the Auditor General's purview into digital media.

But I have to say to Mr. Baker and Mr. Milczyn that what you're doing with this bill today is gutting everything progressive that you announce you've done in this area. The Auditor General was quite correct in saying that you have made her position untenable. You will be writing the rules on what's partisan or not, telling her what she can rule as partisan or not. I think you've learned very deeply from Mr. Harper's approach; you're incorporating it into this bill. I think that you will regret this in years to come.

The Chair (Ms. Soo Wong): Before I call the question, Mr. Tabuns, you asked for a recorded vote for each of the sections—

Mr. Peter Tabuns: I did for each of the sections; this is an amendment.

The Chair (Ms. Soo Wong): Okay, the motions. This is not a recorded vote. All those in favour of motion 34? All those opposed to motion 34? Motion 34 is defeated.

Shall schedule 14, section 3 be carried?

Mr. Peter Tabuns: Recorded vote.

The Chair (Ms. Soo Wong): Okay, recorded vote, sorry. Mr. Fedeli, do you want to talk about this?

Mr. Victor Fedeli: I really do.

The Chair (Ms. Soo Wong): Okay.

Mr. Victor Fedeli: Again, Chair, as I've sadly had to say so many times on so many of these amendments, here we go again. The government says one thing, but they turn around and they do exactly the opposite. They say they're listening to the Auditor General, but she had to write a report that clarifies this, that she doesn't agree with any of this and that it is harmful. We hear one thing, and we have all the nice buzzwords, but in reality, it ain't so.

The Chair (Ms. Soo Wong): I believe Ms. Albanese wants to comment. This is dealing with schedule 14, section 3.

Mrs. Laura Albanese: I'm confused. I thought we had voted on the motion and we were moving forward, so I didn't understand exactly what we were debating or commenting on.

The Chair (Ms. Soo Wong): That was dealing with the amendment. Now we're dealing specifically with the schedule and the section.

Mrs. Laura Albanese: So Mr. Fedeli's comments were directed to the section and the schedule in general.

The Chair (Ms. Soo Wong): Yes.

Interjection.

The Chair (Ms. Soo Wong): Oh, you're not finished. Mr. Fedeli, continue on.

Mr. Victor Fedeli: Again, if you actually look at the auditor's report here, The Government's Proposed Amendments to the Government Advertising Act, the auditor goes so far as to have to tell us why she is issuing this special report. Then she goes on to say that she's allowed, under subsection 9(3) of the Government Advertising Act, to make a special report to the Legislature. She says, "I believe [it] should not be deferred." This is so important, she put together a report that says—and I'm quoting here: "[C]oncerns I have with the government's recently proposed amendments to the GAA," the Government Advertising Act. "I believe they may well impact the credibility of my office."

This is the Auditor General talking to us now, somebody who we—well, most of us—absolutely respect. "If the proposed amendments under Bill 91, the Budget Measures Act, schedule 14, are passed by the Legislature without change, I may be put in the untenable and unacceptable position of having to approve an advertisement as being in compliance with the GAA because it conforms to the proposed ... even though in my opinion it is clearly a partisan advertisement. I would no longer be able to consider such factors as political context, the use of self-congratulatory messages, factual accuracy or an advertisement's criticism of other political parties in my review to help determine whether an ad is partisan."

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What she's saying is that this government, with taxpayer dollars, can criticize other political parties. They don't need to be factually accurate. They can basically say whatever they want and literally, with taxpayer dollars, get away with it. She's asking for "substantive changes to the proposed amendments," and those are the changes that we brought forward. When we're talking about the entire schedule 14—obviously we're going to be voting against the entire schedule 14.

There are so many other parts of this, Chair. I know that time is basically at a premium today, but the way she's talking in here, if you actually took the time—and it's not a big report; the English section is only 27 pages, and there are a lot of whereases and appendices and wherefore-afters. Even if you just looked at the bottom of page 5 and pages 6 and 7—it's only a little bit of a chart—this is the part that you really need to read. This is important.

Why she's commenting, for instance, on subsections 8(3) and 8(4), and why she disagrees with it, is whether or not an advertisement could run during an election period. "This change removes the Auditor General's discretion and empowers the government to run any ad it chooses during an election period." That's on page 6 of the Auditor General's report. That's what's happening here, Chair.

The Chair (Ms. Soo Wong): Mr. Baker?

Mr. Yvan Baker: I think I've spoken to this issue. Of course, first of all, I can say unequivocally that we recognize the important role that the Auditor General plays in ensuring fairness, particularly in government advertising. We're committed to a collaborative relationship with the Auditor General. I think that's evidenced by the way we approached this.

As a result, the government is proposing an amendment that would add another indicator of what counts as partisan advertising: namely, that an ad that directly identifies and criticizes a recognized party or member of the assembly would be prohibited. We're taking steps to listen to the Auditor General.

In 2004, this government introduced, as I said, groundbreaking legislation, the Government Advertising Act. We're still the first and only jurisdiction in Canada to have legislation that bans government-paid advertising. We did this because we're against government using taxpayer dollars for partisan reasons. That was the case then. It's still the case now.

The Chair (Ms. Soo Wong): Mr. Pettapiece?

Mr. Randy Pettapiece: I don't have any speaking notes in front of me, so I'm going to actually tell you people what my constituents are saying about some of this business.

I'm glad the government has said that they have respect for the Auditor General's role, and I see that as one of the reasons they're taking her role away from her. They know what she can do to them, so they're taking this role away. This is what's going on here. There's no respect at all for the Auditor General, because if they left her to do her job as she should be doing it, or as she could be doing it, I think they'd be in a lot of trouble.

I've been to two meetings in the riding in the last couple of weeks. While I was down here, I drove back to the riding. In fact, Mr. Fedeli was with me. We went there to talk about something else which concerns my constituents in the riding, the ORPP; it's just a hated thing in the riding. Invariably, it got down to Hydro One. They said, "What is this government doing to Hydro One? We didn't know that they were doing that. They never spoke about that in the election. We didn't know what they were doing."

Mr. Arthur Potts: Chair, a point of order.

The Chair (Ms. Soo Wong): Yes, Mr. Potts?

Mr. Arthur Potts: I think we need to speak to the motion in front of us and not a whole rehash of a debate in the Legislature on the entire bill.

Mr. Randy Pettapiece: With all due respect, I think I am.

The Chair (Ms. Soo Wong): We need to stay focused on schedule 14, section 3. We cannot be discussing anything beyond schedule 14, section 3.

Mr. Randy Pettapiece: I believe I'm speaking about people listening to people here. This is about the Auditor General. There was nothing in the last election—before, after, whenever; until this came up—that you're going to get rid of the Auditor General's powers. How are the people of Ontario supposed to trust any government that

does this? It looks like you're going to start hiding things to get your way.

You see this report that Mr. Fedeli was taking quotes out of? That just proves our point here.

The Chair (Ms. Soo Wong): Mr. Pettapiece, we've got to stay focused. Schedule 14 deals specifically with government advertisement. Unless you have more comments and questions dealing with government advertisement—

Mr. Randy Pettapiece: Are we not speaking about the Auditor General, Chair?

The Chair (Ms. Soo Wong): No. We have to stay focused, okay? If you have any more comments dealing with schedule 14—schedule 14, if you look at the act, deals specifically with government advertisement. Unless you have more comments dealing with government advertisement and pertaining to that schedule and the section, then I am prepared to rule.

Mr. Randy Pettapiece: I thought I was. The Auditor General's powers are being cut when it comes to advertising—

The Chair (Ms. Soo Wong): Mr. Pettapiece, I'm going to stop you right now because I have said it twice. You will not be allowed to speak.

Any more comments and questions? I'm going to call the question. It's a recorded vote, as requested by Mr. Tabuns.

Ayes

Albanese, Baker, Hoggarth, Milczyn, Potts, Tabuns.

Nays

Fedeli, Pettapiece.

The Chair (Ms. Soo Wong): Carried.

Schedule 14, sections 4, 5—

Interjection.

The Chair (Ms. Soo Wong): Yes, there's going to be a recorded vote for all of them, because you told us.

Because there are no motions to sections 4, 5, 6 and 7 of schedule 14, can we bundle them? It is a recorded vote. I just want people to know that. So schedule 14, sections 4, 5, 6 and 7 inclusive: All those in favour, please raise your hands.

Ayes

Albanese, Baker, Hoggarth, Milczyn, Potts.

Nays

Fedeli, Pettapiece, Tabuns.

The Chair (Ms. Soo Wong): These sections are now carried.

I believe there is a motion 35 from the government side. Ms. Albanese.

Mrs. Laura Albanese: I move that subsection 6(2) of the Government Advertising Act, 2004, as set out in section 8 of schedule 14 to the bill, be amended by striking out “or” at the end of clause (b) and by adding the following clause:

“(b.1) it directly identifies and criticizes a recognized party or a member of the assembly; or”

The Chair (Ms. Soo Wong): Any questions and comments? Mr. Fedeli.

Mr. Victor Fedeli: Again, the Auditor General is critical. When you look at the exemptions, whether it's time-sensitive or revenue-generating, those exemptions are not defined. What the auditor says: “As well, more exceptions by regulation may be created by the government of the day, leaving this open-ended.”

Again, Chair, we're not fully following the requests of the Auditor General. We're tinkering at the edges. We're dabbling in some of them but not all of them. You take a little bit of one of them and go a little bit partway. The others you completely ignore, but then you're able to say, “Well, we listened to the Auditor General.” We listened to a fraction of the Auditor General.

She disagrees with these amendments, plain and simple. She's got a book that she published on May 12 just to tell us that she disagrees with these. Good heavens.

We employ the position of the Auditor General for this very reason: When politics enters the fray, bring the Auditor General in and let her resolve the issue. But for heaven's sake, when she resolves the issue, listen to her.

1530

I know, when she gave her report on energy, she was belittled by the government. I understand that. So they don't have respect for the Auditor General. That was very clear that day—very, very clear. Have some respect for the document that she created, is what we're asking here. Thank you.

The Chair (Ms. Soo Wong): All right. Ms. Albanese?

Mrs. Laura Albanese: First of all, I would like to put on the record, Madam Chair, that I too have read the book that Mr. Fedeli is referencing. We have the utmost respect for the Auditor General. I don't see why he would think that we would belittle this officer of the Legislature in any way. Absolutely, at times, we may not agree on everything, but on this motion, she does agree. This is something that she has called for. This motion would expand the definition of a partisan ad to include an ad that identifies and criticizes a party or a member of the assembly.

Upon further consideration, and in response to the comments of the Auditor General, the government is now bringing forward this motion that would add an additional element to the definition of a partisan ad.

The Chair (Ms. Soo Wong): I've got two more speakers. Mr. Tabuns.

Mr. Peter Tabuns: I just note that the Auditor General herself has said, “The new wording doesn't prohibit the government from using public money to run ads that

give off a negative impression of critics who aren't other MPPs.”

Madam Chair, the simple reality is that the government is reversing everything that it did in the past to try to depoliticize government advertising. It may take steps that make that a bit fuzzier, but the heart of it still remains that we are going back to the use of publicly-paid-for advertising to help the political party that is in power. It is a mistake.

The Chair (Ms. Soo Wong): Okay. Ms. Hoggarth?

Ms. Ann Hoggarth: I just want to say I believe that we need to support this amendment, and I'll tell you why. I do not believe that we are intending to do what MPP Tabuns said. As a matter of fact, I am very pleased that these amendments will, hopefully, stop things—and I understand why the PCs don't want this to go through. These amendments will ensure that the kind of partisan advertising that was used by the Harris government to attack teachers—

Interjections.

Ms. Ann Hoggarth: Excuse me; I listened to you—to attack teachers and health care workers and any other people in the province, can never be repeated, no matter which party it is or which group in Ontario. I believe we need to support this recommendation.

The Chair (Ms. Soo Wong): Okay. Mr. Baker?

Mr. Yvan Baker: I just want to ask for a recorded vote on this.

The Chair (Ms. Soo Wong): Okay, there's a recorded vote. Mr. Tabuns, you want to—

Mr. Peter Tabuns: Yes, I just want to say—Ms. Hoggarth just talked about the Harris government putting public money into ads attacking teachers. This amendment doesn't end that. This is talking about a recognized party or member of the assembly. The Auditor General's comments still stand: that public money could be used to run ads and give a negative impression of critics of the government who aren't MPPs.

This amendment is completely irrelevant to the comments that the member made, and leaves this province wide open to that kind of negative partisan advertising in the future.

The Chair (Ms. Soo Wong): Okay. Any more—sorry. Mr. Pettapiece?

Mr. Randy Pettapiece: Just a short comment. The Auditor General's report came out on this business because she saw what the government was trying to do to her and to her office.

Really, this amendment is—they're trying to satisfy the Auditor General's concerns, but after the fact, after they got their hands slapped. Really, that's what it is. Unfortunately, it doesn't go far enough. We understand that.

As far as going back in history—I don't know how far we have to go back, but it's today we're talking about. We're not talking about things that happened 20 years ago. It's today we're talking about, and what you guys or what the government is doing to this province. That's what we're talking about here. Thank you.

The Chair (Ms. Soo Wong): All right, I'm going to call the question. It is a recorded vote, folks.

Interjection.

The Chair (Ms. Soo Wong): No, no. Mr. Baker asked for the motion. We're voting on motion 35. Mr. Baker has asked for a recorded vote.

Ayes

Albanese, Baker, Hoggarth, Milczyn, Potts.

The Chair (Ms. Soo Wong): All those opposed to motion 35? Okay. The motion is carried.

I'm now going to ask: The question here is, shall schedule 14, section 8—I believe it's a recorded vote—as amended, be carried? This is a recorded vote, so I want to make sure everybody hears it. Shall schedule 14, section 8, as amended, be carried? It's a recorded vote.

Ayes

Albanese, Baker, Hoggarth, Milczyn, Potts.

Nays

Fedeli, Pettapiece, Tabuns.

The Chair (Ms. Soo Wong): Schedule 14, section 8, as amended, is now carried.

There are no motions for sections 9 and 10 of schedule 14. Is it okay for the committee if we bundle them?

Mr. Peter Tabuns: Have a recorded vote.

The Chair (Ms. Soo Wong): A recorded vote. Okay.

Mr. Peter Tabuns: Yes. Thank you.

The Chair (Ms. Soo Wong): I'm going to call the question. Shall schedule 14, section 9 and section 10, be carried?

Ayes

Albanese, Baker, Hoggarth, Milczyn, Potts.

Nays

Fedeli, Pettapiece, Tabuns.

The Chair (Ms. Soo Wong): Those two sections now carry.

I believe motion 36 is before us. Mr. Tabuns, do you want to read it for the record?

Mr. Peter Tabuns: I move that clause 12(a.3), as set out in subsection 11(1) of schedule 14 to the bill, be struck out.

This clause allows the government to set up regulations on the definition of “digital items,” mainly to exempt certain items from the Auditor General's purview. This move is characteristic of one step forward by the government and two steps back.

The Chair (Ms. Soo Wong): Any questions or comments? Mr. Fedeli?

Mr. Victor Fedeli: We are going to join Mr. Tabuns and the NDP on this motion. It removes that exemption that allows the government to circumvent the preliminary auditor review on certain advertisements.

Mr. Peter Tabuns: And I'd like a recorded vote on this—advance notice.

The Chair (Ms. Soo Wong): Mr. Tabuns wants a recorded vote on this. Ms. Albanese?

Mrs. Laura Albanese: I just wanted to say that, as Mr. Fedeli pointed out, this motion would remove regulation-making authority in respect of exempting items from preliminary review under this act.

The AG does not support having mandatory preliminary review of all government advertising. She has stated that. The preliminary review stage is intended to cover the more expensive types of advertising—such as television, for example, or any other type of advertising that would see a big expense—so that significant production costs are not incurred without notifying the Auditor General. That is what is proposed that would meet this act's standards.

The Chair (Ms. Soo Wong): It's a recorded vote for this particular motion.

Ayes

Fedeli, Pettapiece, Tabuns.

Nays

Albanese, Baker, Hoggarth, Milczyn, Potts.

The Chair (Ms. Soo Wong): Motion 36 is defeated.

I'm going to call the question. It's a recorded vote, yes. I'm just going to put it on the table. Every section of schedule 14 is a recorded vote, okay? I'm just going to put it out. Shall schedule 14, section 11, be carried?

Ayes

Albanese, Baker, Hoggarth, Milczyn, Potts.

Nays

Fedeli, Pettapiece, Tabuns.

The Chair (Ms. Soo Wong): Schedule 14, section 11 is now carried.

We are on schedule 14, section 12. There is no motion put forward. Are there any questions or comments before I call the recorded vote? Seeing none, I'm going to call the question.

Ayes

Albanese, Baker, Hoggarth, Milczyn, Potts.

Nays

Fedeli, Pettapiece, Tabuns.

The Chair (Ms. Soo Wong): Schedule 14, section 12, is now carried.

Shall schedule 14, as amended, be carried? It's a recorded vote. Please raise your hand.

Ayes

Albanese, Baker, Hoggarth, Milczyn, Potts.

Nays

Fedeli, Pettapiece, Tabuns.

The Chair (Ms. Soo Wong): Schedule 14, as amended, is now carried.

We are now on schedule 15. I don't see any motions, so can I bundle them right through the entire schedule, 1 through to 21? Is that good with everybody? Just so everybody's clear, schedule 15, sections 1 through 21, inclusive. Are we voting?

1540

Mr. Peter Tabuns: I'm happy to vote. I don't need it to be recorded.

The Chair (Ms. Soo Wong): No recorded vote? Okay.

Shall schedule 15, sections 1 through 21, be carried? Carried.

Shall schedule 15 be carried? Carried.

We also have no motions before us on schedule 16.

Mr. Peter Tabuns: I'd like a recorded vote on schedule 16.

The Chair (Ms. Soo Wong): You want a recorded vote. Okay. On each section, or can we bundle them together?

Mr. Peter Tabuns: Against schedule 16 as a whole.

The Chair (Ms. Soo Wong): As a whole. Okay. So that everybody knows, Mr. Tabuns has asked for a recorded vote for the schedule as a whole.

Shall schedule 16, sections 1 through 3, be carried? It's now a recorded vote. Please put your hands forward if you're voting in support of schedule 16.

Mr. Arthur Potts: No, no, just on the section, not on each subsection on the schedule.

Mr. Peter Tabuns: We're talking about the sections right now. You're not calling a vote on the schedule as a whole; correct?

The Chair (Ms. Soo Wong): Because there's no motion—I'm going to check to make sure there's clarity. On schedule 16, sections 1 through 3, there are no motions.

Mr. Peter Tabuns: I'm not calling for a recorded vote on that. I will want a recorded vote on the schedule as a whole, and I will want to comment on that.

The Chair (Ms. Soo Wong): Okay. Just so we're clear, there is no recorded vote for sections 1 through 3 of schedule 16.

Shall schedule 16, sections 1 through 3, inclusive, be carried? Carried.

Now, shall schedule 16—I believe Mr. Tabuns wants to speak to this.

Mr. Peter Tabuns: Yes. I just wanted to put on the record that what's in this bill doesn't address the issues that people are dealing with with Highway 407 ETR, nor do they ensure that we won't be subject to repetition of the same mistakes that we have had arise on the 407 in the future, so I recommend that people vote against schedule 16.

The Chair (Ms. Soo Wong): Okay. And I believe it's a recorded vote. Am I correct?

Mr. Peter Tabuns: Yes, correct.

The Chair (Ms. Soo Wong): All right. Are there any more speakers? Questions or comments? Mr. Baker.

Mr. Yvan Baker: I just wanted to say that Highway 407 East is really important to a number of communities: Durham, Peterborough, Kawartha Lakes region etc. It's critical for economic growth. It's critical for quality of life in the region. It's critical to reduce congestion. That's why 407 east is an important project, and that we provide a seamless customer experience for people who are using the 407.

As an example, the schedule allows the Minister of Transportation to effectively settle any debts owed by users of Highway 407. Voting against this schedule basically runs counter to this important objective to serve these communities, so we have to support this schedule.

The Chair (Ms. Soo Wong): Any more comments with regard to schedule 16 before I call the question? I believe it's a recorded vote.

Ayes

Albanese, Baker, Hoggarth, Milczyn, Potts.

Nays

Tabuns.

The Chair (Ms. Soo Wong): Schedule 16 is now carried.

We're now on to schedule 17. I believe there is a motion. Mr. Tabuns, do you want to read it into the record?

Mr. Peter Tabuns: I move that schedule 17 to the bill be amended by adding the following section:

"0.1 The Insurance Act is amended by adding the following section:

"Limitation re catastrophic injuries

"121.0.1 A regulation under section 121 shall not amend the definition of "catastrophic impairment" set out in the regulations as they read on April 23, 2015."

Chair, a number of us were here for presentations at the finance committee from people who are dealing with

this whole matter of catastrophic impairment. The government is slashing the benefits for catastrophic victims by 50%. So it's not surprising they're taking steps to further narrow the definition of catastrophic impairment. It just ensures that fewer people who need benefits—

The Chair (Ms. Soo Wong): Mr. Tabuns, I will not be allowing you to debate this because this particular motion before us is now going to be ruled out of order, because it proposes amending the section to a parent act that is not before this committee. I do apologize. This particular motion is now out of order.

We'll now go on to—

Mr. Peter Tabuns: I'll accept your ruling. I appreciate the fact that I had a chance to say something about it.

The Chair (Ms. Soo Wong): I just wanted to let you know.

I believe, for Mr. Tabuns and for the committee, that motion 38 is also out of order. I just want people to know that. It's the same as the previous motion before us.

Interjection.

The Chair (Ms. Soo Wong): Mr. Tabuns, the Clerk wants me to let you move it, and then I will move it out of order. Mr. Clerk wants you to read it into the record.

Mr. Peter Tabuns: I move that schedule 17 to the bill be amended by adding the following section:

“0.1 The act is amended by adding the following section:

“Limitation re benefit caps

“121.0.2 A regulation under section 121 shall not lower the amount of benefits that are payable to or for an insured person who sustains a catastrophic impairment or an impairment that is not a minor injury below the amounts set out in the regulations as they read on April 23, 2015.”

As I've said before, I think what the government is doing is really going to damage all those who suffer—

The Chair (Ms. Soo Wong): Mr. Tabuns, you cannot debate on a motion that is now ruled out of order. You can read it onto the record, but there's no debate.

We're now at schedule 17, section 1. There are no motions for sections 1, 2 and 3. Is it the will of the committee that we bundle them together? I hear a yes, so I'm going to call the question. Shall schedule 17, sections 1 through 3, inclusive, carry? It's now carried.

I believe there is a motion from the opposition: motion 39. Mr. Fedeli.

Mr. Victor Fedeli: I move that schedule 17 to the bill be amended by adding the following section after section 3:

“3.1 Section 268 of the act is amended by adding the following subsection:

“Catastrophic impairment, interim determination
“(9) The Lieutenant Governor in Council may”—

Mr. Arthur Potts: Point of order.

The Chair (Ms. Soo Wong): Mr. Potts?

Mr. Arthur Potts: Is this motion in order?

Mr. Victor Fedeli: I haven't even read it yet.

The Chair (Ms. Soo Wong): I'm going to let him finish first.

Mr. Fedeli, finish.

Mr. Victor Fedeli: “Catastrophic impairment, interim determination

“(9) The Lieutenant Governor in Council may, by regulation, authorize or require an insurer to determine on an interim basis, for the purposes of providing statutory accident benefits, whether an insured person may have sustained a catastrophic impairment.”

The Chair (Ms. Soo Wong): This motion is similar to the previous two motions. It is now ruled out of order.

Mr. Victor Fedeli: Just so I understand, all three of them—I didn't quite understand what makes that out of order.

The Chair (Ms. Soo Wong): The proposed amended section being proposed by the opposition—because it is amending a section of the parent act that is not before the committee. Therefore, it's now ruled out of order. That's what I've been advised.

Mr. Victor Fedeli: Just so I know—I'm not trying to debate it—is that the catastrophic injury? Is that what we're referring to?

The Chair (Ms. Soo Wong): Yes. So it's now ruled out of order.

Mr. Victor Fedeli: I have one more question, just procedurally: When we submit these, would we not know then—does somebody not give them back to us and say, “This is going to be out of order”? Do we know? Did we know?

The Chair (Ms. Soo Wong): Everybody sends it to the Clerk. They don't send it to me.

Mr. Clerk, do you want to clarify for Mr. Fedeli?

1550

The Clerk of the Committee (Mr. Katch Koch): Yes. While you were drafting your motion you could have consulted the Office of the Clerk. We would have given you some advice.

Mr. Victor Fedeli: Thank you. I really appreciate that.

The Chair (Ms. Soo Wong): For the purpose of the committee, if you are drafting motions, you can consult the Clerks.

Now I have schedule 17, sections 4, 5 and 6. There are no motions before us. Is it all right with the committee if we bundle them and then call—I don't think there's a recorded vote. Right?

Mr. Peter Tabuns: I'll ask for a recorded vote on 17 as a whole, and I will speak to 17 as a whole.

The Chair (Ms. Soo Wong): All right. Shall schedule 17, 4 to 6, inclusive, carry? It's now carried.

Mr. Tabuns, you have some comments to make dealing with schedule 17?

Mr. Peter Tabuns: Yes. We're going to be voting the schedule down in its entirety. The government's amendments involve an increasing threshold of tort deductibles—that's out-of-pocket expenses for Ontarians—and indexing it to inflation. Benefits, however, will not increase at all. In fact, the government is proposing slash-

ing benefits to a segment of Ontario's most vulnerable population, those with catastrophic and serious impairment as a result of an auto-related accident.

We think that the government's actions should be reversed. We believe that we had credible testimony before finance committee that these cuts will increase the burden on our publicly funded health care system, on our long-term-care system. It effectively moves an expense from the insurance sector, which has been receiving money to provide those benefits, to the public system. It's going to be much more heavily burdened.

The Chair (Ms. Soo Wong): Are there any questions and comments? Mr. Potts?

Mr. Arthur Potts: All members of this committee, I think, were moved by the testimony of some of the participants during the debate, but we also saw and heard from some of the legal community who are involved. I think maybe there was a professional bias and motivation behind their concerns here as well. The legal costs that are tied up in pursuing these things are horrendous; they're very expensive. We're trying to strike a very important balance between the cost of insurance premiums with providing benefits. These benefits continue to be, particularly with respect to catastrophic, the most progressive and far-reaching in the country. We've left them there as the most progressive. We'll be supporting this section for that reason.

The Chair (Ms. Soo Wong): Any other comments and questions? This is a recorded vote, so I just want to make sure.

Shall schedule 17 be carried?

Ayes

Albanese, Baker, Hoggarth, Milczyn, Potts.

Nays

Tabuns.

The Chair (Ms. Soo Wong): Schedule 17 is now carried.

There are no motions put forward for schedule 18, 1 through 7. Is it all right with the committee that we bundle them and vote? I don't believe I heard any requests for a recorded vote. There are no comments or questions on those sections? Okay. I'm going to call the question. Shall schedule 18, sections 1 through 7, inclusive, be carried? Carried.

Shall schedule 18 be carried? Carried.

We're moving on. For schedule 19, sections 1 through 12, there are no motions before us. Is it all right with the committee that we bundle this and vote on it? Schedule 19, sections 1 through 12: There are no motions before us. This is schedule 19, sections 1 through 12.

Interjection.

The Chair (Ms. Soo Wong): I asked several times. I said that there are no motions. Is it the will of the committee? All right? I'm so sorry, Mr. Fedeli.

So for schedule 19, sections 1 through 12, there are no motions before us. Is it all right with the committee that we bundle this? We're going to call the question. Shall schedule 19, sections 1 through 12, be carried? Carried.

I believe there is a motion, motion 40, before us. Mr. Tabuns.

Mr. Peter Tabuns: I move that section 13 of the act be amended by adding the following subsection:

"Composition of nominating committee

"(2.1) A by-law under subsection (2) shall specify that at least 50 per cent of the individuals appointed to the nominating committee shall be members of a trade union and shall represent workers' interests."

We're talking here about union representation on the investment management corporation—

Mr. Arthur Potts: Excuse me. This motion doesn't appear to be in order either, so we can't have debate on it. It also is amending a section of the act that is not opened up by the bill.

Interjection.

The Chair (Ms. Soo Wong): The ruling is that it's not out of order.

Mr. Tabuns has already spoken. Do you have further comments?

Mr. Peter Tabuns: Yes, I do, actually—

The Chair (Ms. Soo Wong): Are you finished? No. Okay, Mr. Tabuns, continue.

Mr. Peter Tabuns: Chair, the corporation will be responsible for investing the assets of a pension plan or other investment funds. Corporations that are investing employees' hard-earned dollars—that's their pension funds—should ensure that the individuals' voices are heard. This can be achieved through union representation on the board. I urge people to vote for this amendment.

The Chair (Ms. Soo Wong): I have Mr. Baker.

Mr. Yvan Baker: No, actually, I have nothing to say.

The Chair (Ms. Soo Wong): Any other questions or comments dealing with motion 40? Mr. Tabuns.

Mr. Peter Tabuns: All I ask is a recorded vote.

The Chair (Ms. Soo Wong): Recorded vote, okay. Any more questions or comments to motion 40? Seeing none, I'm going to call the question.

Ayes

Tabuns.

Nays

Albanese, Baker, Hoggarth, Milczyn, Potts.

The Chair (Ms. Soo Wong): The motion is defeated.

Any questions or comments for schedule 19, section 13? Any questions or comments? All right, seeing none, I'm going to call the question. Shall schedule 19, section 13, be carried? All right, it's carried.

I believe that for schedule 19, sections 14 to 30, there are no amendments. Is it okay with the committee if we bundle them together? We're going to vote on sections

14 through 30 inclusive, all right? Shall schedule 19, sections 14 through 30, inclusive, be carried? Carried.

Mr. Victor Fedeli: Chair, is it possible to take a five-minute bio-break? Is that the nice way of saying it? Five minutes, tops.

The Chair (Ms. Soo Wong): Okay, five minutes. We'll come back at five after 4. The committee is recessed.

The committee recessed from 1600 to 1605.

The Chair (Ms. Soo Wong): I'm going to resume the committee. Before the recess we were dealing with schedule 19. I believe, Mr. Tabuns, you asked for a recorded vote.

Interjection.

The Chair (Ms. Soo Wong): No, no. The whole schedule. The entire schedule, because we're voting on the entire schedule 19.

Interjection.

Mr. Arthur Potts: No, we just got up to the section—

The Chair (Ms. Soo Wong): All right, I'm going to say: Shall schedule 19 be carried? Carried.

We're now on schedule 20. There are no motions put forward for sections 1 and 2 for schedule 20. Is it the will of the committee that we bundle them and vote on them together? Okay. Shall schedule 20, sections 1 and 2, inclusive, be carried? Carried.

I believe there are motions for section 3. Motion 41: Mr. Baker, do you want to move the motion?

Mr. Yvan Baker: I move that section 3 of the schedule be amended by adding the following subsection: "(1.1) Clause 3(1)(i) of the act is repealed."

The Chair (Ms. Soo Wong): Any questions or comments to this particular motion, 41? Mr. Baker?

Mr. Yvan Baker: Chair, there are several motions relating to the Liquor Control Act. Basically, what they will do is they will assist in the modernization of alcohol regulation in Ontario while confirming the historic authority for some past practices, such as the LCBO setting of different prices for beer sold to licensees under the Liquor Licence Act.

The Chair (Ms. Soo Wong): Any more questions and comments? I'm going to call the question. All those in favour of motion 41? All those opposed? Motion 41 is carried.

Mr. Baker, do you want to move motion 42?

Mr. Yvan Baker: I move that section 3 of the schedule be amended by adding the following subsection:

"(2.1) Section 3 of the act is amended by adding the following subsection:

"Same, prices

"(1.1) The board's purposes and powers also include, and are deemed always to have included, the purpose and power to fix the prices at which the various classes, varieties and brands of liquor are to be sold, and such prices shall be the same at all government stores except,

"(a) liquor sold through an outlet designated by the Minister of National Revenue under the Excise Act (Canada) as a duty-free sales outlet; and

"(b) liquor sold to holders of a licence under the Liquor Licence Act, which may be sold at a price that is different from the price at which it is sold to the general public."

The Chair (Ms. Soo Wong): Any questions or comments to motion 42? Seeing none, all those in favour of motion 42? All those opposed? It is now carried.

Shall schedule 20, section 3, as amended, be carried? Carried.

We are now dealing with motion 43. Mr. Baker, do you want to move that?

Mr. Yvan Baker: I move that paragraph 3 of section 4 of schedule 20 to the bill be struck out.

The Chair (Ms. Soo Wong): Any questions or comments to motion 43? Mr. Baker?

Mr. Yvan Baker: Once again, Chair, there are several motions relating to the Liquor Control Act. They will assist in the modernization of alcohol regulation in Ontario while confirming the historic authority for some past practices, such as the LCBO setting of different prices for beer sold to licensees under the Liquor Licence Act.

The Chair (Ms. Soo Wong): Any more questions or comments to motion 43? Seeing none, I'm going to call the question. All those in favour of motion 43? Motion 43 is now carried.

Shall schedule 20, section 4, as amended, carry? Carried.

We're now on motion 44. Mr. Baker, do you want to move the motion?

Mr. Yvan Baker: I move that clause 8(1)(d.1) of the act, as set out in subsection 5(1) of schedule 20 to the bill, be amended by adding "and may make regulations providing that liquor may be sold to holders of a licence under the Liquor Licence Act at a price that is different from the price sold to the general public" at the end.

1610

The Chair (Ms. Soo Wong): Any questions or comments to motion 44? Seeing none, I'm going to call the question. All those in favour of motion 44? All those opposed? Carried. Motion 44 is carried.

Motion 45: Mr. Baker.

Mr. Yvan Baker: I move that section 5 of schedule 20 to the bill be amended by adding the following subsection:

"(3) Section 8 of the act is amended by adding the following subsection:

"Power to make regulations governing prices

"(2) The authority to make regulations under clause 8(1)(d) of the act, as it read immediately before section 5 of schedule 20 to the Building Ontario Up Act (Budget Measures), 2015 came into force, is deemed always to have included the authority to make regulations governing the prices at which liquor is sold to various classes of licence holders under the Liquor Licence Act, including regulations providing that liquor may be sold to holders of a licence under the Liquor Licence Act at a price that is different from the price sold to the general public."

The Chair (Ms. Soo Wong): Any questions or comments to motion 45? Seeing none, all those in favour of motion 45? All those opposed? Carried.

Shall schedule 20, section 5, as amended, be carried? Carried.

We're now on schedule 20, section 6. Sections 6 and 7: There are no motions. Is it the will of the committee that we bundle them and call the question? Okay. Shall schedule 20, sections 6 and 7, be carried? Carried. Thank you.

All right, I know that there are motions—46, Mr. Baker.

Mr. Yvan Baker: I move that section 10 of the Liquor Control Act, as set out in section 8 of schedule 20 to the bill, be amended by striking out subsections (1) and (2) and substituting the following:

"Agreements with crown re sale of beer

"(1) One or more of the following may enter into agreements with the crown in relation to the crown's or a crown agent's regulation and control of the sale of beer in Ontario:

"1. Brewers Retail Inc.

"2. One or more shareholders of Brewers Retail Inc., individually or jointly.

"Agreements with crown agent re sale of beer

"(2) One or more of the following may enter into agreements with a crown agent in relation to the crown's or a crown agent's regulation and control of the sale of beer in Ontario, if the Lieutenant Governor in Council directs the crown agent to enter into such an agreement:

"1. Brewers Retail Inc.

"2. One or more shareholders of Brewers Retail Inc., individually or jointly.

"June 2000 framework

"(2.1) The board is deemed to have been directed, and Brewers Retail Inc. is deemed to have been authorized, to enter into the June 2000 framework in relation to the crown's or a crown agent's regulation and control of the sale of beer in Ontario."

The Chair (Ms. Soo Wong): Any questions or comments to motion 46? Seeing none, I'm going to call the question. Shall motion 46 be carried? Carried.

Motion 47 is coming before you. Mr. Baker.

Mr. Yvan Baker: I move that subsection 10(4) of the act, as set out in schedule 20 to the bill, be amended by adding the following paragraph:

"3.1 Any matter addressed in the June 2000 framework."

The Chair (Ms. Soo Wong): Any questions or comments to motion 47? Seeing none, shall motion 47 be carried? Carried.

Shall schedule 20, section 8, as amended, be carried? Carried.

I believe there are no motions before us for schedule 20, sections 9 through 12. Can we bundle them together? Okay. We're going to call. Shall schedule 20, sections 9 through 12, inclusive, be carried? Carried.

Interjection.

The Chair (Ms. Soo Wong): Do you want a recorded vote for the entire schedule? Okay.

Mr. Peter Tabuns: As do I, and I want to make comments.

The Chair (Ms. Soo Wong): Okay. There is a request for a recorded vote for schedule 20. Mr. Tabuns, do you want to make comments to schedule 20?

Mr. Peter Tabuns: Thank you, Chair. We believe that beer and wine sales should increase selection, value and access, and create good jobs. While this act partly addresses access, it doesn't address selection or value, nor does it do anything to create secure and good-paying jobs.

If we're going to expand accessibility to alcohol, the best solution is LCBO kiosks in existing grocery and retail stores. The government and LCBO have already laid the groundwork. It makes sure that new retail jobs are well paid and secure, not low-wage Walmart jobs. It ensures that alcohol is sold responsibly in a proven framework, and it puts money in the bank that we can invest in schools, hospitals and infrastructure.

For those reasons, I'd suggest that everyone vote against schedule 20.

The Chair (Ms. Soo Wong): Mr. Potts?

Mr. Arthur Potts: It gives me great pleasure to actually rise to support this section. This is the greatest movement in alcohol distribution sales, particularly as it affects a growing segment of the marketplace in craft beer.

There is widespread stakeholder approval of what we're doing here. Some difficult negotiations—and at the same time, it keeps intact the very valuable Beer Store infrastructure as it applies to things like refillable bottles and take-back and such. It's a great deal we've struck, and I'm delighted to be able to support it.

The Chair (Ms. Soo Wong): Okay. Any more questions and comments? It is a recorded vote, everybody.

Shall schedule 20, as amended, be carried?

Ayes

Albanese, Baker, Hoggarth, Milczyn, Potts.

Nays

Tabuns.

The Chair (Ms. Soo Wong): Schedule 20, as amended, is now carried.

We are now on schedule 21, section 1. I believe there are no motions. Is it the will of the committee that we can bundle them together and vote on them? I hear yes. Okay. Shall schedule 21, sections 1 through 3, be carried? Carried.

Shall schedule 21 be carried? Carried.

I also see there are no motions before us for schedule 21 through section 4. Is it okay with the committee that we bundle them together? Okay, I just wanted to make sure.

Mr. Tabuns, you know where we are, right?

Mr. Peter Tabuns: On 21.

The Chair (Ms. Soo Wong): Schedule 22, sections 1 through 4, because there are no motions before us. Okay? I'm going to call—

Interjections.

The Chair (Ms. Soo Wong): Schedule 22, Mr. Tabuns.

Mr. Peter Tabuns: Yes.

The Chair (Ms. Soo Wong): Schedule 22, sections 1 through 4: There are no motions. I'm going to bundle them. Shall schedule 22, sections 1 through 4, inclusive, be carried? Carried.

Motion 48: Mr. Pettapiece, do you want to move that motion?

Mr. Randy Pettapiece: Yes. I move that section 5 of schedule 22 to the bill be struck out and the following substituted:

“Commencement

“5. This schedule comes into force on the day on which the Minister of Energy on behalf of Her Majesty in right of Ontario owns less than 50 per cent of the outstanding common shares of Hydro One Inc. as of the date that section 3 of schedule 9 to the Building Ontario Up Act (Budget Measures), 2015 came into force.”

The Chair (Ms. Soo Wong): Okay. Mr. Fedeli?

Mr. Victor Fedeli: So we're back to the ones that we had been debating since this morning at 9 o'clock. They're in no particular order.

Again, this brings it back to the point where we're trying to get over that 50% threshold, so that the lobbyist changes can only come into effect once Hydro One goes over 50% private ownership, so that when they transfer Hydro One into this new corporation, none of this will still take place. It's when we stop owning 50% that the lobbyists, the Auditor General, the sunshine list and all of the other—go into force. It's the same as the one I've been arguing for the last eight hours.

Mrs. Laura Albanese: Madam Chair?

The Chair (Ms. Soo Wong): Ms. Albanese.

Mrs. Laura Albanese: I would just reiterate what we have been saying since this morning, and that is that as Hydro One transitions into a publicly traded company, the government remains committed to its continued regulation, accountability and transparency.

I also would like to point out that we are proposing to allow some time to ensure that officers of the Legislature could continue any work that they have under way. But the principle is that at the time of the IPO and the sale of the first 15% of shares of Hydro One, Hydro One ceases to be a crown corporation, and officers of the Legislature do not have jurisdiction over a publicly traded company.

1620

The Chair (Ms. Soo Wong): Mr. Fedeli?

Mr. Victor Fedeli: I have a question, if I may go through you, Chair, to Ms. Albanese. We're talking about the Lobbyists Registration Act, and you said there's a time lag between when it happens and when that happens. Is that for the lobbyists as well?

Mrs. Laura Albanese: My understanding is that that applies to all of the officers of the Legislature, so—

Mr. Victor Fedeli: But this number 48 is—

Mrs. Laura Albanese: The lobbyists, if I'm correct, report to the Integrity Commissioner. There's a registry.

Mr. Victor Fedeli: Again, this is the Lobbyists Registration Act. We're talking about having the lobbyists be able to still register up until this 50% number, as opposed to immediately. So my question is, are you telling us now—that would be a change, by the way—that this won't count?

Mrs. Laura Albanese: Can I ask for a recess for that? Can I have two minutes?

The Chair (Ms. Soo Wong): How long is the recess? There's a request for a recess.

Mr. Victor Fedeli: Well, we're going to go and vote in a couple of minutes anyway.

Mrs. Laura Albanese: Just two minutes.

The Chair (Ms. Soo Wong): Two minutes. I heard there's a request for two minutes.

Mrs. Laura Albanese: Or until the vote?

Mr. Victor Fedeli: We're about to go and vote.

Mrs. Laura Albanese: We have received notice that there should be a vote at 4:25.

The Chair (Ms. Soo Wong): Just so people understand: Once we stop at 4:30, there is only one 20-minute break, and there will be no discussion. We're just going to keep moving the votes. That's it. There's no debate. There's no discussion. If there is a vote in the House, we'll suspend—but I just want everybody to be clear: If you want to recess, you can recess, but once 4:30 comes, that's by order of the House. It's not my rules; it's the order of the House.

Mr. Victor Fedeli: I'll forgo my question, then. I think I already know the answer. It was not quite a rhetorical question, but pretty close.

Mrs. Laura Albanese: I'll endeavour to find the answer.

The Chair (Ms. Soo Wong): Okay. Do we have any more questions and comments? Seeing none, I'm going to call the question. All those in favour of motion 48? All those opposed to motion 48? The motion is defeated.

I'm going to go back. Shall schedule 22, section 5, be carried? Carried.

Shall schedule 22—

Mr. Peter Tabuns: Recorded vote on schedule 22.

The Chair (Ms. Soo Wong): Mr. Tabuns has now asked for a recorded vote.

Shall schedule 22 be carried?

Ayes

Albanese, Baker, Hoggarth, Milczyn, Potts.

Nays

Fedeli, Pettapiece, Tabuns.

The Chair (Ms. Soo Wong): Schedule 22 is now carried.

We're now doing schedule 23. There are no motions before us. Can we bundle sections 1 and 2 together? Is that good with everybody? Okay. Shall schedule 23, sections 1 and 2, inclusive, be carried? Carried.

Shall schedule 23 be carried? Carried.

Schedule 24, sections 1 and 2: There are no motions before us. Can I put them together? Shall schedule 24, sections 1 and 2, be carried? Carried.

Shall schedule 24 be carried? Carried.

Schedule 25, sections 1 through 3: There are no motions before us. Can we bundle them together? All right. Shall schedule 25, sections 1 through 3, inclusive, be carried? Carried.

Shall schedule 25 be carried? Carried.

Shall schedule 26, 1 through 3, inclusive, be carried? Carried.

Shall schedule 26 be carried? Carried.

Shall schedule 27, sections 1 through 2—there are no amendments or motions—be carried? Carried.

Shall schedule 27 be carried? Carried.

I believe there are some motions before us. Mr. Pettapiece, do you want to read motion 49, please?

Mr. Randy Pettapiece: I move that subsection 52.1(1) of the Municipal Freedom of Information and Protection of Privacy Act, as set out in section 1 of schedule 28 to the bill, be amended by striking out “on and after the date on which the Building Ontario Up Act (Budget Measures), 2015 received royal assent” at the end and substituting “on and after the date on which the Minister of Energy on behalf of Her Majesty in right of Ontario owned less than 50% of the outstanding common shares of Hydro One Inc. as of the date that section 3 of schedule 9 to the Building Ontario Up Act (Budget Measures), 2015 came into force.”

The Chair (Ms. Soo Wong): Mr. Fedeli?

Mr. Victor Fedeli: Number 49 here is all about being open and transparent. This is very similar to the arguments we've made since 9 o'clock this morning. In this particular case, it's not about the Auditor General or the Integrity Commissioner or the privacy commissioner or the Ombudsman or the sunshine list. This one now, for the first time, is about the municipal freedom-of-information requests—that they would still be valid until Hydro One goes more than 50% private.

Given the fact that it's still a majority of a public company, it should be subject to the oversight rules of the auditor and the Integrity Commissioner and all of the others we mentioned earlier, including the municipal freedom-of-information requests that are received. That's what this is for, similar to the others.

The Chair (Ms. Soo Wong): Any questions and comments dealing with motion 49? I see none. I'm going to call the question.

Mr. Peter Z. Milczyn: Recorded vote.

The Chair (Ms. Soo Wong): I hear there's a recorded vote.

Ayes

Fedeli, Pettapiece.

Nays

Albanese, Baker, Hoggarth, Milczyn, Potts.

The Chair (Ms. Soo Wong): The motion is defeated.

Motion 50: Mr. Pettapiece, do you want to read the motion?

Mr. Randy Pettapiece: I move that subsection 52.1(6) of the Municipal Freedom of Information and Protection of Privacy Act, as set out in section 1 of schedule 28 to the bill, be amended by striking out “on the first anniversary of the date on which the Building Ontario Up Act (Budget Measures), 2015 received royal assent” at the end and substituting “on the first anniversary of the date on which the Minister of Energy on behalf of Her Majesty in right of Ontario owned less than 50 per cent of the outstanding common shares of Hydro One Inc. as of the date that section 3 of schedule 9 to the Building Ontario Up Act (Budget Measures), 2015 came into force.”

The Chair (Ms. Soo Wong): Any questions and comments? Mr. Fedeli?

Mr. Victor Fedeli: Chair, again, this particular amendment to section 1, schedule 28 of the bill will basically increase what I call the exemption or the wrap-up period for the municipal freedom-of-information requests to one year after a majority of the company becomes private.

Again, in our opinion, a public company should be subject to oversight. Think about this now: On day one, you've got probably the most valuable—if not listed financially, certainly from a practical reason—asset that is today owned by the people of Ontario. We are about to take all of the oversight in this particular one, the Municipal Freedom of Information and Privacy Act—I brought this to the Legislature the first possible day we could.

Monday, in our boardroom—I'm quite sure the NDP had the same thing—all of the people from the Ministry of Finance, the various segments, came in and they showed us the budget bill, the actual 45 sections of the bill. I have to tell you how surprised I was when I read that this particular one, the Municipal Freedom of Information and Protection of Privacy Act, but also the freedom of information—not just the municipal section but the general one that the public would be more familiar with, FIPPA—was no longer covered under this. Auditor General: gone. Integrity Commissioner: gone. All of these officers of the Legislature are excluded immediately from the opportunity to comment. So this—

The Chair (Ms. Soo Wong): Mr. Fedeli, I'm going to cut you short. Just for the committee's purposes, pursuant to the order of the House dated Wednesday, May 13, 2015, I am now required to interrupt the proceedings and shall, without further debate or amendment, put every

question necessary to dispose of all the remaining sections of Bill 91 and any amendments thereto.

At this time, I'm going to allow a 20-minute waiting period, if requested, pursuant to standing order 129(a), and from this point forward, those amendments which have not yet been moved shall be deemed to have been moved, and I will take the vote on them consecutively.

We're going to recess because we have a vote ahead of us. We may as well do the 20 minutes as well. Is that good with everybody? Because we can only do one 20-minute break from here on.

Mr. Yves Baker: Sorry, what time are we returning?
Mrs. Laura Albanese: In 20 minutes?

The Chair (Ms. Soo Wong): You can take the full 20 minutes, because when we come back a little bit later, there will be no more 20-minute breaks.

We now have to go for the vote.

Mrs. Laura Albanese: So 20 minutes?
Interjections.

The Chair (Ms. Soo Wong): Ten to 5, unless the vote takes a lot longer. So 10 to 5 p.m. Thank you.

The committee recessed from 1631 to 1652.

The Chair (Ms. Soo Wong): All right, folks, we're resuming the committee. I believe we're on motion number 50.

Is there a recorded vote? I can't recall. Can I call the question?

All those in favour? All those opposed? It's defeated.
 Motion 51.

Mr. Yves Baker: Recorded vote.
The Chair (Ms. Soo Wong): Recorded vote.

Motion 51 is now deemed moved by Ms. Albanese. I will be reading it for the record.

I move that subsections 52.1(5) and (6) of the Municipal Freedom of Information and Protection of Privacy Act, as set out in section 1 of schedule 28 to the bill, be struck out and the following substituted:

"Transition

"(5) Despite subsection (1), for a period of six months after the date described in that subsection,

"(a) the commissioner may continue to exercise all of his or her powers under section 41 (inquiry) and clause 46(b) (certain orders) in relation to Hydro One Inc. and its subsidiaries with respect to matters that occurred and records that were created before that date; and

"(b) Hydro One Inc. and its subsidiaries continue to have the duties of an institution under this act in relation to the exercise of the commissioner's powers mentioned in clause (a).

"Continuing authority to issue orders, etc.

"(6) The powers and duties of the commissioner to issue orders under section 41 and clause 46(b) with respect to matters mentioned in subsection (5) continue for an additional six months after the expiry of the six-month period described in that subsection.

"Orders binding

"(7) An order issued within the time described in subsection (6) is binding on Hydro One or its subsidiaries, as the case may be.

"Repeal
 "(8) Subsections (5), (6) and (7) and this subsection are repealed on a day to be named by proclamation of the Lieutenant Governor."
 This is a recorded vote.

Ayes
 Albanese, Baker, Berardinetti, Hoggarth, Milczyn.

The Chair (Ms. Soo Wong): The motion is now carried.

I'm going to call the question now. It's a recorded vote?

Mr. Peter Tabuns: On schedule 28, as a whole.

The Chair (Ms. Soo Wong): Okay. I'm dealing with schedule 28, section 1.

Mr. Peter Tabuns: No problem. Roll on, Chair.

The Chair (Ms. Soo Wong): Okay. Schedule 28, section 1, as amended: Will it be carried? Carried.

I'm dealing with schedule 28, section 2. There are no motions. Can I call the question for that? Shall schedule 28, section 2, be carried? Carried.

I believe there's a recorded vote for schedule 28 as a whole, as amended.

Shall schedule 28, as amended, carry? It's a recorded vote.

Ayes
 Albanese, Baker, Berardinetti, Hoggarth, Milczyn.

Nays
 Pettapiece, Tabuns.

The Chair (Ms. Soo Wong): Schedule 28, as amended, is now carried.

I believe we're now on schedule 29. Sections 1 and 2: There are no motions. I'm going to call the questions. Shall schedule 29, sections 1 and 2, be carried? Carried.

Shall schedule 29 be carried? Carried.

There is a motion before us—motion 52, I believe. Mr. Pettapiece, I'm going to have to read this on record, because it's now deemed moved.

The motion is being moved by Mr. Pettapiece. I'm going to read it out now:

I move that subsection 13(5) of the Ombudsman Act, as set out in section 1 of schedule 30 to the bill, be amended by striking out "on and after the date on which the Building Ontario Up Act (Budget Measures), 2015 received royal assent" at the end and substituting "on and after the date on which the Minister of Energy on behalf of Her Majesty in right of Ontario owned less than 50 per cent of the outstanding common shares of Hydro One Inc. as of the date that section 3 of schedule 9 to the Building Ontario Up Act (Budget Measures), 2015 came into force."

Mr. Peter Tabuns: Recorded vote.

The Chair (Ms. Soo Wong): It's a recorded vote? Okay.

Ayes

Fedeli, Pettapiece.

Nays

Albanese, Baker, Berardinetti, Hoggarth, Milczyn.

The Chair (Ms. Soo Wong): Okay, so the motion is lost.

Shall schedule 30, section 1, be carried? Carried.

There are no motions for schedule 30, section 2. Shall schedule 30, section 2, be carried? Carried.

Shall schedule 30 be carried? Carried. All right.

I'm at schedule 31, section 1. There is a government motion here. Ms. Albanese, I'm going to move that motion on your behalf. I believe it's motion 53, right?

Okay, it is deemed moved that section 79.2 of the Ontario Energy Board Act, 1998, as set out in section 1 of schedule 31 to the bill, be amended by adding the following subsection:

"Verification of eligibility

"(16.1) Section 11 of the Ministry of Revenue Act applies with respect to the Ontario Electricity Support Program as a government assistance program administered by the board."

All those in favour of the motion? All those opposed? The motion is now carried.

Shall schedule 31, section 1, as amended, be carried? Carried.

Shall schedule 31, section 2, be carried? Carried.

Shall schedule 31, as amended, be carried? Carried. Okay.

We're now on schedule 32. There are no motions put forward. I'm going to bundle them, okay? Shall schedule 31, section 1 through 4, inclusive—

Interjection.

1700

The Chair (Ms. Soo Wong): Oh. Schedule 32, section 1 through schedule 32, section 4, inclusive—shall it be carried? Carried.

Shall schedule 32 be carried? Carried.

We are now on schedule 33. I believe there is a motion before us.

Ms. Albanese, I'm going to be moving it for you.

It is now moved that the definition of "Ontario Retirement Pension Plan" in section 1 of schedule 33 to the bill be amended by striking out "section 1 of Bill 56 (Ontario Retirement Pension Plan Act, 2015) introduced on December 8, 2014" and substituting "section 1 of the Ontario Retirement Pension Plan Act, 2015".

All those in favour of motion 54? All those opposed? It's now carried.

Shall schedule 33, section 1, as amended, be carried? Carried.

There are no motions from schedule 33, sections 2 through 6. I'm going to bundle them and I'm going to call the question. Shall schedule 33, sections 2 through 6, inclusive, be carried? Carried.

I believe there are motions before us. Motion 55, deemed moved by Mr. Tabuns—I'll read it for the record—that paragraph 1 of subsection 7(2) of schedule 33 to the bill be struck out and the following substituted:

"1. Two individuals appointed by the Lieutenant Governor in Council, at least one of whom shall be a member of a union who is representative of workers and such others as the Lieutenant Governor in Council considers appropriate."

Mr. Peter Tabuns: Recorded vote.

The Chair (Ms. Soo Wong): Recorded vote. Okay. There is a call for a recorded vote for motion 55.

Ayes

Tabuns.

Nays

Albanese, Baker, Berardinetti, Hoggarth, Milczyn.

The Chair (Ms. Soo Wong): The motion is lost.

We're now on motion 56, everyone. I'm going to deem Mr. Tabuns moving motion 56, that subsection 7(4) of schedule 33 to the bill be struck out and the following substituted:

"Establishment of nomination criteria

"(4) The nominating committee shall establish criteria for the nomination of directors, taking into account the importance of reflecting the diversity of Canada's population in the composition of the board of directors."

Mr. Peter Tabuns: Recorded vote.

The Chair (Ms. Soo Wong): Okay. It's a recorded vote.

Ayes

Tabuns.

Nays

Albanese, Baker, Berardinetti, Hoggarth, Milczyn.

The Chair (Ms. Soo Wong): It's now defeated.

Shall schedule 33, section 7, be carried? All those in favour? Opposed? It's carried.

I believe for schedule 33, sections 8 through 13, there are no motions. Can I bundle them together? Okay. Shall schedule 33, sections 8 through 13, inclusive, be carried? Carried.

I believe there is a motion 57 before us. Mr. Tabuns, I'm going to move your motion, that section 14 of schedule 33 to the bill be struck out and the following substituted:

"Financial records

“14(1) The corporation shall maintain financial records for the corporation and its subsidiaries, if any, and shall ensure that financial and management control and information systems and management practices are maintained at the corporation and each of its subsidiaries.

“Manner in which records etc. to be kept

“(2) The records, systems and practices required by subsection (1) shall be kept and maintained in such manner as will enable the corporation to prepare financial statements in accordance with generally accepted accounting principles, and that will provide reasonable assurance that,

“(a) the board’s assets and those of its subsidiaries are safeguarded and controlled; and

“(b) the board’s financial, human and physical resources and those of its subsidiaries are managed economically and efficiently and that the board’s operations and those of its subsidiaries are carried out effectively.

“Special examination

“(3) The minister shall cause a special examination to be carried out at least once every six years in respect of the corporation and any of its subsidiaries to determine if the systems and practices referred to in subsection (1) were, in the period under examination, maintained in a manner that provided reasonable assurance that they met the requirements of clauses (2)(a) and (b).”

Mr. Peter Tabuns: Recorded vote.

The Chair (Ms. Soo Wong): Motion 57 is a recorded vote.

Ayes

Tabuns.

Nays

Albanese, Baker, Berardinetti, Hoggarth, Milczyn.

The Chair (Ms. Soo Wong): Motion 57 is lost.

I’m now dealing with schedule 33, section 14: Shall schedule 33, section 14, be carried? Carried.

Now there’s another motion, motion 58. Mr. Tabuns, I’m going to move your motion. I move that subsection 15(2) of schedule 33 to the bill be struck out and the following substituted:

“Special audit

“(2) The minister may, at any time he or she considers it necessary, appoint an auditor to conduct a special audit, as defined in the Auditor General Act, of the corporation or any of its subsidiaries.

“Qualified privilege—defamation

“(3) Any statement or report made under this act orally, in writing or in another format by an auditor or former auditor appointed by the corporation or by the minister has qualified privilege.”

Mr. Peter Tabuns: Recorded vote.

The Chair (Ms. Soo Wong): A recorded vote has been asked.

Interjection.

The Chair (Ms. Soo Wong): We are at motion 58, Mr. Fedeli. There’s a recorded vote asked for motion 58.

Ayes

Tabuns.

Nays

Albanese, Baker, Berardinetti, Hoggarth, Milczyn.

The Chair (Ms. Soo Wong): Motion 58 is defeated.

Shall schedule 33, section 15, be carried? Carried.

I believe there is a motion 59. I am going to move your motion, Mr. Tabuns. I move that the heading before section 16 be struck out and the following substituted:

“Quarterly and Annual Reports and Annual Meeting

“Quarterly report

“15.1(1) The board of directors shall submit to the minister copies of the corporation’s financial statements for the first, second and third quarters of the financial year, prepared in accordance with generally accepted accounting principles, within 45 days after the end of the three-month period to which they relate.

“Report to be publicly accessible

“(2) The corporation shall ensure that the financial statements for a quarter are available to the public within seven days after they are submitted to the minister.”

Mr. Peter Tabuns: Recorded vote.

The Chair (Ms. Soo Wong): A recorded vote has been asked for motion 59.

Ayes

Tabuns.

Nays

Albanese, Baker, Berardinetti, Hoggarth, Milczyn.

The Chair (Ms. Soo Wong): Motion 59 is defeated.

Because there is no motion for schedule 33, section 16 and section 17, I’m going to be bundling them for the vote. Shall schedule 33, sections 16 and 17, be carried? Carried.

1710

There is a motion before us, motion 60, which I’m going to move on behalf of Mr. Tabuns. I move that section 18 of schedule 33 to the bill be amended by adding the following subsection:

“By-laws to be given to minister

“(5) The corporation shall give a copy of every resolution that makes, amends or repeals a by-law to the minister.”

Mr. Peter Tabuns: Recorded vote.

The Chair (Ms. Soo Wong): There’s a recorded vote being asked for motion number 60.

Ayes

Tabuns.

Nays

Albanese, Baker, Berardinetti, Hoggarth, Milczyn.

The Chair (Ms. Soo Wong): The motion is lost. Shall schedule 33, section 18, be carried? Carried. I notice that from schedule 33, section 19—

Interjection.

The Chair (Ms. Soo Wong): Forty-three? Is it? Let me double-check first. I'm still on schedule 33, okay? So, ladies and gentlemen, schedule 33, sections 19 through 43: There are no motions. Is it all right with the committee if I bundle them?

Interjection.

The Chair (Ms. Soo Wong): Schedule 33, sections 19 through 43, inclusive, okay? Shall schedule 33, sections 19 through 43, inclusive, be carried? Carried.

Shall schedule 33 be carried—no, as amended.

Mr. Victor Fedeli: Is this the whole schedule?

The Chair (Ms. Soo Wong): The whole schedule 33.

Mr. Victor Fedeli: Recorded vote.

The Chair (Ms. Soo Wong): There is a recorded vote being asked for. I just want everybody to know what they're dealing with. Shall schedule 33, as amended, be carried?

Ayes

Albanese, Baker, Berardinetti, Hoggarth, Milczyn.

Nays

Fedeli.

The Chair (Ms. Soo Wong): Schedule 33, as amended, is now carried.

Schedule 34: I believe there are no motions put forward by all three parties, so I'm going to bundle them—schedule 34, sections 1 through 11 inclusive. Shall schedule 34, sections 1 through 11 inclusive, be carried? Carried.

Shall schedule 34 be carried? Carried.

I believe for schedule 35, sections 1 through 3, there are no motions. I'm going to bundle them. Shall schedule 35, sections 1 through 3 inclusive, be carried? Carried.

Shall schedule 35 be carried? Carried.

Schedule 36, section 1: There is no motion. Can I call the question? Shall schedule 36, section 1, be carried? Carried.

There is a motion 61. Mr. Fedeli, I'm going to read your motion for the record. I move that section 8 of the Poverty Reduction Act, 2009, as set out in section 2 of schedule 36 to the bill, be amended by adding the following subsection:

“Quarterly reports

“(3) The minister shall table quarterly reports in the assembly that provide details about the grants made under this section.”

I'm going to call the question: All those in favour of motion 61? All those opposed to motion 61? It's defeated.

Shall schedule 36, section 2, carry? Carried.

Schedule 36, section 3: There are no motions. Shall schedule 36, section 3, be carried? Carried.

Shall schedule 36 be carried? Carried.

We're now on schedule 37. There are a couple of motions put forward. Motion 62: I will move that for Mr. Fedeli. I move that subsection 1(1) of schedule 37 to the bill be struck out.

This is motion 62. All those in favour of motion 62? All those opposed to motion 62? Motion 62 is lost.

I believe there is a motion 63. Mr. Fedeli, you're moving that? Okay. Everybody is on motion 63? I move that subsection 11(2) of the Public Sector Expenses Review Act, 2009, as set out in subsection 1(2) of schedule 37 to the bill, be amended by striking out “on and after the day the Building Ontario Up Act (Budget Measures), 2015 received royal assent” at the end and substituting “on and after the date on which the Minister of Energy on behalf of Her Majesty in right of Ontario owned less than 50 per cent of the outstanding common shares of Hydro One Inc. as of the date that section 3 of schedule 9 to the Building Ontario Up Act (Budget Measures), 2015 came into force.”

All those in favour of motion 63? All those opposed to motion 63? The motion is lost.

Motion 64: I move that subsection 11(4) of the Public Sector Expenses Review Act, 2009, as set out in subsection 1(2) of schedule 37 to the bill, be amended by striking out “on the first anniversary of the date on which the Building Ontario Up Act (Budget Measures), 2015 received royal assent” at the end and substituting “on the first anniversary of the date on which the Minister of Energy on behalf of Her Majesty in right of Ontario owned less than 50% of the outstanding common shares of Hydro One Inc. as of the date that section 3 of schedule 9 to the Building Ontario Up Act (Budget Measures), 2015 came into force”.

All those in favour of motion 64? All those opposed to motion 64? Motion 64 is defeated.

Motion 65: I move that subsection 1(2) of schedule 37 to the bill be struck out.

All those in favour of motion 65? All those opposed to motion 65? Motion 65 is defeated.

Shall schedule 37, section 1, be carried? Okay.

We are now dealing with motion 66. I move that subsection 2(1) of schedule 37 to the bill be amended by striking out “subject to subsection (2)”.

All those in favour of motion 66? All those opposed to motion 66? Motion 66 is defeated.

Motion 67: I move that subsection 2(2) of schedule 37 to the bill be struck out.

All those in favour of motion 67? All those opposed to motion 67? The motion is defeated.

Mr. Peter Tabuns: Chair?

The Chair (Ms. Soo Wong): Yes?

Mr. Peter Tabuns: Just to be sure—because sometimes I don't know how many other sections there are—I want a recorded vote on the schedule as a whole.

The Chair (Ms. Soo Wong): Okay, the entire schedule.

I'm now dealing with schedule 37, section 2, only. Shall schedule 37, section 2, be carried? Carried.

Now it's a recorded vote, as requested by Mr. Tabuns. All those in favour of schedule 37?

Ayes

Albanese, Baker, Berardinetti, Hoggarth, Milczyn.

Nays

Fedeli, Tabuns.

The Chair (Ms. Soo Wong): Schedule 37 is now carried.
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Now we're dealing with schedule 38. There is a motion before us, motion 68. I'm going to move the motion on behalf of Mr. Fedeli. I move that schedule 38 to the bill be amended by adding the following section:

"0.1 The definition of employer in subsection 2(1) of the Public Sector Salary Disclosure Act, 1996 is amended by striking out 'and' at the end of clause (b), by adding 'and' at the end of clause (c) and by adding the following clause:

"(d) the Housing Services Corporation and each of its subsidiaries."

Interjection.

The Chair (Ms. Soo Wong): The motion is out of order. It's beyond the scope of the bill.

Shall schedule 38, section 1, be carried? Carried.

We have motion 69. I move that subsection 3(6) of the Public Sector Salary Disclosure Act, 1996, as set out in section 2 of schedule 38 to the bill, be struck out and the following substituted:

"Transition re: Hydro One Inc.

"(6) This section does not apply to Hydro One Inc. and its subsidiaries with respect to salary and benefits paid after December 31 of the year in which the Minister of Energy on behalf of Her Majesty in right of Ontario owned less than 50 per cent of the outstanding common shares of Hydro One Inc. as of the date that section 3 of schedule 9 to the Building Ontario Up Act (Budget Measures), 2015 came into force."

All those in favour of motion 69? All those opposed to motion 69? The motion is defeated.

Shall schedule 38, section 2, be carried? Carried.

We have more motions put forth. It is now motion 70, deemed moved by Mr. Fedeli. I move that subsection 3(1) of schedule 38 to the bill be amended by striking out "Subject to subsection (2)".

All those in favour of motion 70? All those opposed to motion 70? Motion 70 is lost.

I'm dealing with motion 71, deemed moved by Mr. Fedeli. I move that subsection 3(2) of schedule 38 to the bill be struck out.

All those in favour of motion 71? All those opposed to motion 71? Motion 71 is defeated.

Shall schedule 38, section 3, be carried? Carried.

Mr. Peter Tabuns: Now can we have a recorded vote on the schedule as a whole?

The Chair (Ms. Soo Wong): A recorded vote is being asked for. All those in favour of schedule 38? Raise your hands.

Ayes

Albanese, Baker, Berardinetti, Hoggarth, Milczyn.

Nays

Fedeli, Tabuns.

The Chair (Ms. Soo Wong): Schedule 38 is now carried.

We're now dealing with schedule 39. There are no motions put forward for schedule 39. Can I bundle them?

Mr. Peter Tabuns: No. I would like to have section 3 of schedule 39 set aside. I want to have a recorded vote. But for sections 1 and 2, I don't care.

The Chair (Ms. Soo Wong): Okay. Just so everybody knows, in schedule 39, 1 and 2 will be bundled in the vote. Shall schedule 39, sections 1 and 2, be carried? Carried.

I now hear there's a recorded vote asked for; right?

Mr. Peter Tabuns: Yes, for 3.

The Chair (Ms. Soo Wong): There is a recorded vote for schedule 39, section 3. All those in favour of schedule 39, section 3?

Ayes

Albanese, Baker, Berardinetti, Hoggarth, Milczyn, Tabuns.

The Chair (Ms. Soo Wong): Schedule 39, section 3, is now carried.

There are no motions for schedule 39, sections 4 through 6. Is it the will of the committee that I can bundle them? Okay. I will now call the question. Shall schedule 39, sections 4 through 6, inclusive, carry? Carried.

I'm dealing now with the entire schedule.

Shall schedule 39 carry? Carried. Thank you.

We're now at schedule 40—

Interjection.

The Chair (Ms. Soo Wong): I'm faster than the Clerk.

There are no motions put forward by any of the parties, so schedule 40, sections 1 through 11—can I bundle them? Mr. Tabuns.

Mr. Peter Tabuns: I'd like to have section 9 taken out.

The Chair (Ms. Soo Wong): Okay. Can I bundle sections 1 through 8?

Interjections: Yes.

The Chair (Ms. Soo Wong): Okay. Just so everybody knows what they're voting on, schedule 40, sections 1 through 8: I'm going to bundle them in the vote. Schedule 40, sections 1 through 8. Okay? Mr. Fedeli, are we good? Okay, guys, I'm going to go forward.

I'm dealing with schedule 40, sections 1 through 8, inclusive.

Shall schedule 40, sections 1 through 8, carry? Carried.

I'm dealing specifically, because there's a request for a recorded vote for schedule 40, section 9. Right, Mr. Tabuns?

Mr. Peter Tabuns: Correct.

The Chair (Ms. Soo Wong): All those in favour of schedule 40, section 9?

Ayes

Albanese, Baker, Berardinetti, Hoggarth, Milczyn.

Nays

Fedeli, Tabuns.

The Chair (Ms. Soo Wong): Schedule 40, section 9, is now carried.

There are no motions put forward to us for schedule 40, sections 10 and 11.

Mr. Tabuns?

Mr. Peter Tabuns: I'd like to have a recorded vote on section 10, please.

The Chair (Ms. Soo Wong): There's a recorded vote for section 10. Schedule 40, section 10, is a recorded vote.

Ayes

Albanese, Baker, Berardinetti, Hoggarth, Milczyn.

Nays

Tabuns.

The Chair (Ms. Soo Wong): Schedule 40, section 10, is now carried.

There is no motion put forward for schedule 40, section 11.

Mr. Peter Tabuns: I'd like a recorded vote on section 11.

The Chair (Ms. Soo Wong): Okay. There's a recorded vote requested, folks.

Ayes

Albanese, Baker, Berardinetti, Hoggarth, Milczyn.

Nays

Fedeli, Tabuns.

The Chair (Ms. Soo Wong): Schedule 40, section 11, is now carried.

There is a motion, motion 72—

Mr. Yvan Baker: Recorded vote, Chair.

The Chair (Ms. Soo Wong): Recorded vote. This is motion 72. I'm going to move, on behalf of Ms. Albanese, that subsection 12(1) of schedule 40 to the bill be amended by adding the following subsection:

"Transitional

"(2.1) Despite subsection (2), the amount of a qualifying corporation's Ontario computer animation and special effects tax credit for a taxation year is 20 per cent of its qualifying labour expenditures for the year for expenditures incurred after April 23, 2015 and before August 1, 2016 in respect of an eligible production if all of the following criteria are satisfied:

"1. Before April 24, 2015, the corporation has entered into at least one written agreement in respect of a qualifying labour expenditure for the eligible production with a person that deals at arm's length with the corporation and any of the following criteria are satisfied:

"i. The agreement is in respect of digital animation or digital visual effects for use in the eligible production.

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"ii. The agreement demonstrates, in the opinion of the Minister of Tourism, Culture and Sport, that the corporation has made a significant commitment to production activities related to the eligible production in Ontario.

"2. Before August 1, 2015, the corporation has notified the Ontario Media Development Corporation in writing of its intent to apply for a certificate under subsection (5) in respect of the eligible production.

"3. Before August 1, 2016, the corporation has applied to the Ontario Media Development Corporation for a certificate under subsection (5) in respect of the eligible production.

"4. Principal photography or key animation for the production commenced before August 1, 2015."

This is a recorded vote for this particular motion, motion 72.

Ayes

Albanese, Baker, Berardinetti, Hoggarth, Milczyn, Tabuns.

The Chair (Ms. Soo Wong): Motion 72 is carried.

Mr. Peter Tabuns: And then we'll have a separate vote on section 12 as a whole? Sorry, to the amended 12.

The Chair (Ms. Soo Wong): Yes. I'm going to call the question now.

Shall schedule 40, section 12, as amended, carry?

Mr. Peter Tabuns: Recorded vote.

Ayes

Albanese, Baker, Berardinetti, Hoggarth, Milczyn.

Nays

Fedeli, Tabuns.

The Chair (Ms. Soo Wong): Schedule 40, section 12, as amended, is carried.

We're now dealing with motion 73. I'm going to move it, on behalf of Mr. Milczyn. I move that section 13 of schedule 40 to the bill be amended by adding the following subsection:

“(1.1) Section 92 of the act is amended by adding the following subsection:

““(Transitional

“(3.1) Despite subsection (3), a qualifying corporation's eligible credit for a taxation year in respect of an eligible production includes 25 per cent of the portion of its qualifying production expenditures in respect of the production for the year that relates to expenditures incurred after April 23, 2015 and before August 1, 2016 if all of the following criteria are satisfied:

““1. Before April 24, 2015, the corporation has entered into at least one written agreement in respect of a qualifying production expenditure in respect of the production with a person that deals at arm's length with the corporation and any of the following criteria are satisfied:

““i. The agreement is in respect of services of a producer, a director, a key cast member, a production crew or a post-production crew.

““ii. The agreement is in respect of a studio located in Ontario, or a location in Ontario.

““iii. The agreement demonstrates, in the opinion of the Minister of Tourism, Culture and Sport, that the corporation has made a significant commitment to production activities in Ontario.

““2. Before August 1, 2015, the corporation has applied to the Ontario Media Development Corporation under subsection (6) for a certificate in respect of the production.

““3. Principal photography or key animation for the production commenced before August 1, 2015.””

Mr. Yvan Baker: Recorded vote.

The Chair (Ms. Soo Wong): There is a recorded vote requested. This is dealing with motion number 73.

Ayes

Albanese, Baker, Berardinetti, Hoggarth, Milczyn, Tabuns.

The Chair (Ms. Soo Wong): Motion 73 is now carried.

Mr. Peter Tabuns: And, Madam Chair, we're now going to vote on section 13, as amended?

The Chair (Ms. Soo Wong): Yes.

Mr. Peter Tabuns: I'd like a recorded vote on that.

The Chair (Ms. Soo Wong): Recorded vote? Okay. Schedule 40, section 13, as amended.

Ayes

Albanese, Baker, Berardinetti, Hoggarth, Milczyn.

Nays

Fedeli, Tabuns.

The Chair (Ms. Soo Wong): Schedule 40, section 13, as amended, is now carried.

We're now dealing with motion 74. I move that schedule 40 to the bill be amended by adding the following section:

“13.1 Section 93 of the act is amended by adding the following subsection:

““(Restriction on regulations re “eligible product”

“(14.1) A regulation prescribing conditions in connection with clause (a) of the definition of “eligible product” in subsection (14) shall not require,

“(a) that 80 per cent of total labour costs for eligible products be attributable to qualifying wages and qualifying remuneration paid to individuals or corporations that carry on a personal services business; or

“(b) that 25 per cent of total labour costs for eligible products be attributable to qualifying wages of employees of the qualifying corporation.””

Mr. Peter Tabuns: Recorded vote.

Interjections.

The Chair (Ms. Soo Wong): This motion is out of order. Motion 74 is now out of order. It will not be voted on.

Mr. Peter Tabuns: Then we are going to be voting on section 14 in its entirety. Is that correct?

The Chair (Ms. Soo Wong): Yes, later. Soon.

Mr. Peter Tabuns: Then I would like a recorded vote on section 14.

The Chair (Ms. Soo Wong): Towards the end.

Now, just so everybody knows, for schedule 40, sections 14 through 22, there are no motions, so I'm going to bundle them—

Mr. Peter Tabuns: Except 14. I would like to have it taken out.

The Chair (Ms. Soo Wong): Just section 14, Mr. Tabuns?

Mr. Peter Tabuns: Yes, section 14, and then I'd like to have a vote on schedule 40 in its entirety.

The Chair (Ms. Soo Wong): Okay. So then, if I have everybody's attention, Mr. Tabuns has requested a recorded vote for schedule 40, section 14.

Ayes

Albanese, Baker, Berardinetti, Hoggarth, Milczyn.

Nays

Fedeli, Tabuns.

The Chair (Ms. Soo Wong): Schedule 40, section 14, is now carried.

Schedule 40, sections 15 through 22: There are no motions, so I'm going to be bundling them, okay? Shall schedule 40, sections 15 through 22, inclusive, be carried? Okay. Carried.

There's a request for a recorded vote for schedule 40. Am I correct? Okay. All those in favour for schedule 40?

Interjections.

The Chair (Ms. Soo Wong): Let me put the question back, so everybody understands. There is an amendment to schedule 40, so I'm going to call the question. It's a recorded vote.

All those in favour—

Mr. Victor Fedeli: This is 40 in its entirety?
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The Chair (Ms. Soo Wong): For the entire schedule, as amended.

All those in favour of schedule 40, as amended?

Ayes

Albanese, Baker, Berardinetti, Hoggarth, Milczyn.

Nays

Fedeli, Tabuns.

The Chair (Ms. Soo Wong): Schedule 40, as amended, is now carried.

We're now dealing with schedule 41, sections 1 and 2. There are no motions put forward, so can I bundle them?

Mr. Peter Tabuns: Sections 1 and 2, I'm fine with. When we vote on the schedule as a whole, 41, I'd like a recorded vote.

The Chair (Ms. Soo Wong): Okay. I'm going to call it. Shall schedule 41, sections 1 and 2, be carried? Carried.

Now there's a request for a recorded vote. All those in favour of schedule 41?

Ayes

Albanese, Baker, Berardinetti, Hoggarth, Milczyn.

Nays

Tabuns.

The Chair (Ms. Soo Wong): Schedule 41 is now carried.

We are now dealing with schedule 42. I see no motions put forward. Is it all right with everybody that we bundle them together?

Shall schedule 41, sections 1 through 10—

Mr. Peter Tabuns: Section 42?

The Chair (Ms. Soo Wong): Yes. I'm just doing the section.

Mr. Peter Tabuns: I heard you say "schedule 41."

The Chair (Ms. Soo Wong): No, no. I'm saying: Shall schedule 42, sections 1 through 10, inclusive, be carried?

Mr. Peter Tabuns: Okay.

The Chair (Ms. Soo Wong): I have to do that first. Okay, let me do that one more time. Shall schedule 42, sections 1 through 10, inclusive, be carried? Carried.

I believe Mr. Tabuns wants a recorded vote. No? Okay.

Shall schedule 42 be carried? It's carried. Schedule 42 is now carried.

We're now on schedule 43, everybody. Shall schedule 43, section 1, be carried? Carried.

I believe there is a motion 75. Am I correct?

Mr. Peter Tabuns: I'd like a recorded vote.

The Chair (Ms. Soo Wong): A recorded vote, okay. I move that section 2 of schedule 43 to the bill be amended by adding the following subsection:

"(1) Section 23 of the act is amended by adding the following subsection:

"Provincial offences officers

"(1.1) A person authorized by the minister under subsection (1) has the powers of a provincial offences officer for the purposes of the enforcement of this act."

I heard there is a recorded vote.

Mr. Peter Tabuns: Yes.

The Chair (Ms. Soo Wong): Okay. All those in favour of motion 75?

Ayes

Tabuns.

Nays

Albanese, Baker, Berardinetti, Hoggarth, Milczyn.

The Chair (Ms. Soo Wong): Motion 75 is defeated.

Now I'm dealing with schedule 43, section 2. Schedule 43, section 2: Shall it be carried? Carried.

There are no motions for sections 3 through 6, inclusive. Is it all right with everybody that I bundle them? Schedule 43, sections 3 through 6, inclusive.

Shall schedule 43, sections 3 through 6, inclusive, be carried? Carried.

Shall schedule 43 be carried? Schedule 43 is now carried.

There is a motion before us, motion 76. I move that schedule 44 to the bill be amended by adding the following section—

Interjection.

The Chair (Ms. Soo Wong): I've been told to stand motion 76 down. I just want everybody to know.

Mr. Victor Fedeli: What was that?

The Chair (Ms. Soo Wong): Motion 76 has been stood down. Mr. Clerk?

The Clerk of the Committee (Mr. Katch Koch): Motion 76 is dependent on motion 78 carrying, so we need to deal with 78 first. If 78 carries, then 76 is in order.

The Chair (Ms. Soo Wong): All right. So did everybody get that? I'm standing down motion 76.

We're now dealing with motion 77. It's motion 77: I move that subsection 1(2) of the Trillium Trust Act, 2014, as set out in section 1 of schedule 44 to the bill, be amended by striking out "on and after the date on which section 1 of schedule 44 to the Building Ontario Up Act (Budget Measures), 2015 comes into force" at the end and substituting "on and after the date on which the Minister of Energy on behalf of Her Majesty in right of Ontario owned less than 50 per cent of the outstanding common shares of Hydro One Inc. as of the date that section 3 of schedule 9 to the Building Ontario Up Act (Budget Measures), 2015 came into force."

A recorded vote has been asked for.

Ayes

Fedeli.

Nays

Albanese, Baker, Berardinetti, Hoggarth, Milczyn.

The Chair (Ms. Soo Wong): Motion 77 is defeated.

Now we're doing motion 78: I move that schedule 44 to the bill be amended by adding the following section—

Mr. Peter Z. Milczyn: Point of order.

The Chair (Ms. Soo Wong): Yes?

Mr. Peter Z. Milczyn: Should we not have voted on schedule 44, section 1, as amended?

The Chair (Ms. Soo Wong): No. This is all pertaining to schedule 44, section 1, okay?

I'm going to go back. I move that schedule 44 to the bill be amended by adding the following section:

"1.1 Section 1 of the act is amended by adding the following subsection:

"Net proceeds of disposition

"(3) For the purposes of this act,

"net proceeds of disposition", when used in respect of the disposition of a qualifying asset, means an amount equal to the amount paid into the Consolidated Revenue Fund or to a public entity in respect of the asset's disposition, less,

"(a) the book value of the asset as of the date it was disposed of,

"(b) any costs incurred by the crown or a public entity in disposing of the asset, and

"(c) the value of any obligations assumed by the crown or a public entity in respect of the disposition."

Mr. Yvan Baker: Recorded vote, Chair.

Interjection.

The Chair (Ms. Soo Wong): I've been advised that motion 78 is out of order. It's beyond the scope of the committee, so it's out of order.

Mr. Yvan Baker: Can we call for a recess, Chair?

The Chair (Ms. Soo Wong): No. There's no recess.

Mr. Yvan Baker: So why is it out of order?

The Chair (Ms. Soo Wong): It's beyond the scope. Motion 78 is considered out of order, which means the previous one, motion 76, is now also out of order.

Yes, Mr. Tabuns.

Mr. Peter Tabuns: No, I'm fine. Keep going.

The Chair (Ms. Soo Wong): Okay. I'm going to keep going.

I believe there is a motion 79. Am I correct? There's motion 79. I'm going to read it into the book: I move that schedule 44 to the bill be amended by adding the following section:

"1.1 Subsection 4(2) of the act is repealed and the following substituted:

"Timing of regulation

"(2) A regulation under clause (1)(a) designating an asset as a qualifying asset may be made before or after the disposition of the relevant asset, but not later than 90 days after the disposition of the asset.

"Same

"(2.1) A regulation under clause (1)(b) may be made before or after the disposition of the relevant asset.

"Same

"(2.2) A regulation under clause (1)(c) in respect of a qualifying asset may be made before or after the disposition of the relevant asset, but not later than 90 days after the disposition of the asset."

All right. The motion is out of order. Motion 79 is out of order.

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Now we're dealing with motion 80. I move that schedule 44 to the bill be amended by adding the following section:

"1.2 The act is amended by adding the following section:

"Disposition of securities in Hydro One Inc., etc.

"2.1(1) If an amount is payable into the Consolidated Revenue Fund in respect of the disposition by a ministry of any securities in Hydro One Inc., an amount equal to the amount described in subsection (2) shall be credited to the Trillium Trust after the payment is made into the Consolidated Revenue Fund.

"Amount

"(2) The amount referred to in subsection (1) is an amount equal to the amount payable into the Consolidated Revenue Fund in respect of the disposition of the securities, less amounts equal to,

"(a) the book value of the securities as of the date they were disposed of; and

"(b) any costs incurred by the Crown in disposing of the securities."

Motion 80 is also deemed out of order.

I am dealing with motion 81. I move that schedule 44 to the bill be amended by adding the following section:

"1.2 The act is amended by adding the following section:

"Auditor General's report

"4.1 Without limiting the generality of subsection 9(1) of the Auditor General Act, the Auditor General shall report annually to the Speaker of the Legislative Assembly,

"(a) concerning the disposition of qualifying assets and identifying how their net proceeds of disposition have been allocated under this act; and

"(b) concerning the disposition of non-qualifying assets and identifying how their net proceeds of disposition have been allocated under this act."

This motion is also deemed out of order.

Mr. Yvan Baker: Chair, that was 81?

The Chair (Ms. Soo Wong): Motion 81 is out of order.

Mr. Yvan Baker: Can you just walk me back—sorry, I'm just trying to keep with you—in terms of 79 and 80? Were they also out of order?

The Chair (Ms. Soo Wong): Okay, 79 is deemed out of order because it proposed to amend a section of a parent act that is not before the committee. All those I have ruled out of order are all because of the same reason. Okay? I just want people to know.

I'm dealing with motion 82 now, everybody. I move that schedule 44 to the bill be amended by adding the following section:

"1.3 Subsection 3(1) of the act is amended by striking out 'the amount that is required to be credited to the Trillium Trust under the regulations' at the end and substituting 'the net proceeds of disposition of that asset.'"

Again, motion 82 is deemed out of order for a similar reason as before.

I'm dealing with motion 83. I move that section 1.3 of schedule 44 to the bill be amended by adding the following subsection:

"(2) Paragraph 1 of subsection 3(2) of the act is amended by striking out 'disposition of a qualifying asset' and substituting 'disposition of all or part of a qualifying asset.'"

Again, motion 83 is out of order.

Motion 84: I move that subsection 1.3 of schedule 44 to the bill be amended by adding the following subsection:

"(3) Paragraph 2 of subsection 3(2) of the act is repealed and the following substituted:

"2. In the case of a disposition of all or part of a qualifying asset by a ministry, an amount equal to the net proceeds of disposition."

The motion is also deemed out of order.

Motion 85: I move that schedule 44 to the bill be amended by adding the following section:

"1.4 The act is amended by adding the following section:

"Certain assets

"3.1 The following are deemed to be qualifying assets for the purposes of this act:

"1. Real property owned by the Liquor Control Board of Ontario located at 55 Lake Shore Boulevard East, 43 Freeland Street and 2 Cooper Street, all in the city of Toronto, and the Liquor Control Board of Ontario's interest in adjacent property, if any.

"2. Real property owned by Ontario Power Generation Inc. located at 700 University Avenue and 40 Murray Street, both in the city of Toronto.

"3. Real property owned by Ontario Power Generation Inc. located at 800 Hydro Road in the city of Mississauga, and including adjacent water lots owned by Ontario Power Generation Inc."

I believe motion number 85 is also deemed out of order.

Motion 86: I move that schedule 44 to the bill be amended by adding the following section:

"1.5 Clauses 4(1)(b) and (c) of the act are repealed and the following substituted:

"(b) for the purpose of the definition of 'net proceeds of disposition' in subsection 1(3), prescribing rules for determining the book value of a qualifying asset, the costs incurred in disposing of a qualifying asset and the value of obligations assumed in respect of the disposition of a qualifying asset;"

Motion 86 is also deemed out of order.

Motion 87: I move that section 1.5 of schedule 44 to the bill be amended by adding the following subsection:

"(2) Subsection 4(2) of the act is amended by striking out 'clause 1(a), (b) or (c)' and substituting 'clause 1(a) or (b).'"

Motion 87 is also deemed out of order.

We're now dealing with schedule 44.

Mr. Peter Tabuns: Now you're going to amendment 88?

The Chair (Ms. Soo Wong): No, that's a different section, Mr. Tabuns.

Shall schedule 44, section 1, be carried? Okay, it's carried.

Now we're dealing with schedule 44, section 2. There's a motion before us, motion 88.

Interjection.

The Chair (Ms. Soo Wong): Oh, I've got to recess.

Mr. Victor Fedeli: Can we do it by unanimous consent to stay?

Mr. Peter Tabuns: No, I can't.

The Chair (Ms. Soo Wong): Sorry; I can't. It's by order of the House. We're recessed until 6:30 p.m.

The committee recessed from 1800 to 1830.

The Chair (Ms. Soo Wong): Okay. I'm going to resume the committee clause-by-clause. I believe we were at motion 88. Ms. Albanese.

Mrs. Laura Albanese: Thank you, Madam Chair. We would like to withdraw that motion.

The Chair (Ms. Soo Wong): All right. Motion 88 is now withdrawn.

I am still going to have to ask: Shall schedule 44, section 2 be carried?

Mr. Jagmeet Singh: Recorded vote.

The Chair (Ms. Soo Wong): Here we go. I have to educate everybody now. Mr. Singh, just so you know, your predecessor had been told that you have to let both myself and the Clerk know in advance. I'm going to give you slack—

Mr. Jagmeet Singh: Thank you.

The Chair (Ms. Soo Wong): —but that's it.

Mr. Victor Fedeli: Did she say “slack” or “slap”?

Mr. Jagmeet Singh: Thank you, Madam Chair. Thank you to all my colleagues for the “slack.”

The Chair (Ms. Soo Wong): There's a recorded vote being asked for for schedule 44, section 2.

Ayes

Albanese, Baker, Berardinetti, Hoggarth, Milczyn.

Nays

Singh.

The Chair (Ms. Soo Wong): Schedule 44, section 2 is carried.

Now we're dealing with schedule 44 as a whole, ladies and gentlemen.

Mr. Jagmeet Singh: Recorded vote.

The Chair (Ms. Soo Wong): Mr. Singh is asking for a recorded vote. Mr. Fedeli?

Mr. Victor Fedeli: No, I'm fine.

The Chair (Ms. Soo Wong): I'm going to call the question.

Ayes

Albanese, Baker, Berardinetti, Hoggarth, Milczyn.

Nays

Fedeli, Singh.

The Chair (Ms. Soo Wong): Schedule 44 is carried. Schedule 45.

Mr. Jagmeet Singh: Recorded vote.

The Chair (Ms. Soo Wong): Okay.

Mr. Jagmeet Singh: How's that timing now? I'm doing the timing now, right?

The Chair (Ms. Soo Wong): We've got the timing good. There are no motions—in past practice, just so you know, Mr. Singh, if there's no motion put forward, I just say, “Shall schedule that and the section be carried?” There's no motion before you for schedule 45. Is it okay with the committee if I bundle sections 1 and 2 together? Thank you. Shall schedule 45, sections 1 and 2 be carried? Carried.

Shall schedule 45 be carried? Schedule 45 is carried. Thank you, ladies and gentlemen.

I just want to remind everybody—Mr. Singh, you came in a little bit later, but we will give you some instruction here.

Mr. Jagmeet Singh: You're the best.

The Chair (Ms. Soo Wong): We need to do section 1. Shall schedule—

Mr. Jagmeet Singh: Wait. Are we doing a vote right now?

The Chair (Ms. Soo Wong): We have to. Yes, we are.

Mr. Jagmeet Singh: I would love the vote to be recorded, if I may, Madam Chair.

The Chair (Ms. Soo Wong): Okay. Recorded vote for section 1.

Mr. Victor Fedeli: Do you even know what section 1 is?

Mr. Jagmeet Singh: No, but I would love for it to be recorded. I want to know what everyone votes, why they're voting. I might even get some credit out of this, right?

The Chair (Ms. Soo Wong): I'm just doing the vote for section 1, ladies and gentlemen.

Ayes

Albanese, Baker, Berardinetti, Hoggarth, Milczyn.

The Chair (Ms. Soo Wong): Okay. I am now voting on section 2. Mr. Singh, is it a recorded vote?

Mr. Jagmeet Singh: Yes, please.

Mr. Victor Fedeli: And what's it on?

Mr. Jagmeet Singh: It's on the Assessment Act—

The Chair (Ms. Soo Wong): Okay. All those in favour of section 2, please raise your hand.

Ayes

Albanese, Baker, Berardinetti, Hoggarth, Milczyn.

The Chair (Ms. Soo Wong): Okay. Section 2 is now carried.

Interjection.

The Chair (Ms. Soo Wong): All those opposed to section 2? Seeing none.

Section 3, I believe that's a recorded vote.

Mr. Jagmeet Singh: Recorded vote on this one.

The Chair (Ms. Soo Wong): Okay. All those in favour of section 3?

Ayes

Albanese, Baker, Berardinetti, Hoggarth, Milczyn.

Nays

Singh.

The Chair (Ms. Soo Wong): Section 3 is now carried.

Shall the title of the bill be carried?

Mr. Jagmeet Singh: Recorded vote.

The Chair (Ms. Soo Wong): All those in favour of the title?

Ayes

Albanese, Baker, Berardinetti, Hoggarth, Milczyn.

The Chair (Ms. Soo Wong): The title of the bill is now carried.

Shall Bill 91—

Mr. Jagmeet Singh: Recorded vote on this one for sure. This is the bill; right? This is important.

The Chair (Ms. Soo Wong): All those in favour of Bill 91, as amended?

Ayes

Albanese, Baker, Berardinetti, Hoggarth, Milczyn.

Nays

Fedeli, Singh.

The Chair (Ms. Soo Wong): Bill 91, as amended, is now carried.

The next question—I guess this is a recorded vote.

Mr. Jagmeet Singh: Yes, please.

The Chair (Ms. Soo Wong): Shall I report the bill, as amended, to the House?

Ayes

Albanese, Baker, Berardinetti, Hoggarth, Milczyn.

Nays

Fedeli, Singh.

The Chair (Ms. Soo Wong): Carried.

We're adjourned.

The committee adjourned at 1835.

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Legislative Assembly of Ontario

First Session, 41st Parliament

Assemblée législative de l'Ontario

Première session, 41^e législature

Official Report of Debates (Hansard)

Thursday 4 June 2015

Journal des débats (Hansard)

Jeudi 4 juin 2015

Standing Committee on Finance and Economic Affairs

Microbead Elimination
and Monitoring Act, 2015

Comité permanent des finances et des affaires économiques

Loi de 2015 sur l'élimination
et le contrôle des microbilles



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LEGISLATIVE ASSEMBLY OF ONTARIO

ASSEMBLÉE LÉGISLATIVE DE L'ONTARIO

STANDING COMMITTEE ON
FINANCE AND ECONOMIC AFFAIRSCOMITÉ PERMANENT DES FINANCES
ET DES AFFAIRES ÉCONOMIQUES

Thursday 4 June 2015

Jeudi 4 juin 2015

*The committee met at 1401 in room 151.*MICROBEAD ELIMINATION
AND MONITORING ACT, 2015LOI DE 2015 SUR L'ÉLIMINATION
ET LE CONTRÔLE DES MICROBILLES

Consideration of the following bill:

Bill 75, An Act with respect to microbeads / Projet de loi 75, Loi concernant les microbilles.

The Chair (Ms. Soo Wong): I'm going to call the meeting to order. We're meeting today to consider Bill 75, An Act with respect to microbeads. Pursuant to—
*Interjections.***The Chair (Ms. Soo Wong):** Excuse me. I've started the meeting. Please.

Pursuant to the order of the House dated Monday, June 1, 2015, the witnesses will each be granted up to five minutes for their presentations, followed by nine minutes of questioning from the committee, or three minutes from each caucus. I ask committee members to keep the questions brief, in order to allow maximum time for the witnesses to respond. Do we have any questions before we begin? I see none.

LAKE ONTARIO WATERKEEPER

The Chair (Ms. Soo Wong): I'm going to call the first witness forward. I believe it's Lake Ontario Waterkeeper, Krystyn Tully, vice-president. Welcome and good afternoon. Ms. Tully, can you please, when you begin, start by identifying yourself for the purposes of Hansard? This round of questions will start with the official opposition party. You may begin any time. Thank you.**Ms. Krystyn Tully:** Thank you. I'm Krystyn Tully. I'm the vice-president and co-founder of Lake Ontario Waterkeeper. We are a Canadian charity, and we work for a swimmable, drinkable, fishable future. We have Canada-wide programs, such as our Swim Guide and the National Water Centre, but I'm here today to talk about the lake that sustains more Canadians and more Ontarians than any other body of water, which is Lake Ontario. At Waterkeeper, we believe that the way we treat our waterways reflects our true values as a society. By extension, how we treat Lake Ontario reflects the true values of Ontarians.

The science on microbeads is clear and uncontested. Other speakers have summed it up well, so I won't spend much time today rehashing what others have said. The bill itself is also six short sections—it speaks for itself—so I don't think my job is to explain those things to you. My goal today is to help you understand why this bill, as Waterkeeper understands it, is important to Lake Ontario and to Great Lakes communities.

In the handout that you have, there is a stress map of the Great Lakes. As you can see, Lake Ontario is not doing well. Red indicates a high level of stress, and every square kilometre of Lake Ontario is at risk. We didn't get to this point because people got together and said, "Hey, we should go and destroy the Great Lakes." We got here because too many people said too many times, "This is just minor harm," or, "We can wait; someone else will fix it."

With microbeads, we can't afford to make the same mistake. Microbeads harm the lakes directly. They also threaten to undermine 30 years of investment in Great Lakes restoration and protection.

I have a poll. I'd like you to raise your hand if you are having fish from Lake Ontario for dinner tonight.

*Interjections.***Ms. Krystyn Tully:** For the record, I believe that Minister Murray raised his hand.

One of the largest bodies of fresh water on Earth is a few blocks away from us, yet we source our food from other places.

Many Ontarians have this notion that Lake Ontario has always been a lost lake. That's just the way it is. For the first 20 years of my life growing up in Oshawa, I thought I'd grow a third eye or an extra arm if I touched the lake. I didn't go swimming. I definitely didn't eat the fish.

But you're smarter than me. You know the way government works, so you probably know that the government of Ontario tests for contaminants like mercury, PCBs and pesticides, and that the government publishes a guide to eating fish. You know that many fish are starting to come back to the Great Lakes and that many industrial pollutants have been phased out. Using that guide, you know that you can safely eat certain fish from the Great Lakes, but you're still not eating Lake Ontario fish for dinner tonight.

The commercial fishery collapsed years ago. That's part of the problem—overfishing and pollution. That means you cannot walk into a market anywhere in this

city and buy fish from Lake Ontario. Out of sight, out of mind.

You could buy a fishing rod and a fishing licence. You could catch your own fish; it would be healthy and fresh. Do you know where to go? If you wanted to catch a fish for dinner tonight, with 70% of near-shore habitat paved over or filled in, we've made it incredibly difficult to feed yourself dinner.

Let's say you beat the odds. You know there are fish in the lake. You know you can eat them. You know where to find them. You've gone and you've caught one. It's dinner time. Yet you're still not having Lake Ontario fish for dinner because it turns out this fish—this elusive, wonderful, amazing fish that managed to beat all of the odds right up until it met your hook—has a belly full of plastic. That's three decades of emissions reductions, restoration and biodiversity promotion out the window because we wanted our teeth to sparkle more and our wrinkles to show a little bit less. It doesn't have to be this way.

This is a simple problem with a simple solution: Don't allow microbeads down the drain, and we won't have microbeads in our fish.

You've heard the federal government may also take action. That's great; encourage them. You've heard that industry is taking voluntary action. That's also great. Your legislation creates a level playing field for businesses, to protect those who take action and to make sure that bad actors don't profit because they refuse to eliminate microbeads from their products.

Ontario communities benefit the most when all sectors and all levels of government compete to be the best stewards, instead of waiting for someone else to act.

I am here on behalf of Lake Ontario communities to say this harm is not minor. No one else will fix our lake for us. A swimmable, drinkable, fishable future is possible but only when decision-makers like you, at pivotal moments like this, take action.

Thank you. I am happy to take your questions.

The Chair (Ms. Soo Wong): Thank you very much, Ms. Tully. Before I turn it over to Mr. Fedeli, I want to recognize Minister Murray being present here today.

Mr. Fedeli.

Mr. Victor Fedeli: I'm only going to take a moment to make a comment before I hand it over to MPP Thompson. I want to make two comments: I think I'm having Lake Nipissing pickerel tonight for dinner, just so you know.

Ms. Krystyn Tully: Excellent.

Mr. Victor Fedeli: I want it noted on the record the stress level of the lakes, I think it also matches the stress level in our society. Do you see how when you get further north, where I live, how the stress is gone? I'm just thinking about heading home and turning from red to blue overnight—a stress level. I just wanted to make that comment.

Now I'm going to pass it over to MPP Thompson for the real debate.

Mr. Peter Z. Milczyn: I don't find red stressful at all—maybe for fish.

Mr. Victor Fedeli: I didn't mean political blue; I meant stress-free blue.

Ms. Lisa M. Thompson: I live in Bruce county. I'm probably having beef for dinner tonight, but on the weekend, I'll probably be having fish from Lake Huron.

I appreciate your comments. I'm just wondering how familiar you are with the initiative introduced by the NDP at the federal level. What's your perspective on that? Do you feel there are any overlying redundancies in what the NDP proposed at the federal level and what you're seeing in this bill?

Ms. Krystyn Tully: Sure. Two things: Lake Ontario Waterkeeper is a co-applicant—along with Environmental Defence and Ottawa Riverkeeper, represented by Ecojustice—in an application to the federal Minister of the Environment under the Canadian Environmental Protection Act to have microbeads listed as toxic substances.

However, Great Lakes water protection, environment, public health and commerce all fall within the province's jurisdiction as well. As I indicated in my presentation, this is not an area where it makes a lot of sense to sit back, point to another level of government and say, "You handle it; we'll sit this one out." There are a lot of powerful arguments to be made for involvement from all levels of government.

So while there is action on the table at the federal level, it's not action at this time. The minister's decision in response to our application is not yet available. To my knowledge, there is no proposal from the federal government at this time, and there is a role, regardless of what happens, for all levels of government to get involved, especially when it comes to the Great Lakes.

I think that what the public expects to hear from the government are reasons to act and to protect public health and to protect the environment, not a list of reasons why it's okay to sit back and let somebody else do it for us.

Ms. Lisa M. Thompson: Okay. You mentioned that industry is already moving in this direction. What about the products that arrive in Ontario from offshore in the dollar stores? What are your thoughts on that whole issue?

Ms. Krystyn Tully: My understanding from reading the legislation is that the sale of those products within the province of Ontario would be prohibited. So it would fall under the same practices, protocols or responses that any time somebody is behaving contrary to the law in Ontario, the same type of penalties or enforcement mechanisms would fall into place.

Ms. Lisa M. Thompson: Very good.

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The Chair (Ms. Soo Wong): Ms. Fife.

Ms. Catherine Fife: Thank you very much, Krystyn, for coming in and sharing the story. I think it was effective and it brings it home for us as legislators.

You're quite right: The NDP at the federal level in 2014, under Mr. Masse, brought forward a motion to actually ask the IJC to conduct a comprehensive study around microplastics in Lake Ontario, but there's already enough research that shows that high concentrations are

incredibly worrisome. He's trying to push the commission to actually move to action and to mitigate the damage, but as you mentioned, the government at the federal level under the Conservatives has not taken any action.

It leads me to a question, though. I think we're all in agreement that this is a serious environmental issue. Have you, in your discourse with the government, asked why this can't be a government bill? Because if it's a government bill, it has more weight. If it's introduced by the Minister of the Environment, there's the weight of that ministry behind it. Right now, private members' bills are effective advocacy and education tools, but a government bill would be law. Do you want to comment on that, please?

Ms. Krystyn Tully: Sure. I'll confess that my knowledge of political workings is fairly simplistic, so I can't really comment other than to say that when leadership is required, I think it's important that people stand up and take action. At Waterkeeper, our job is to represent the interests of the lake and to speak wherever there is a forum any time that we're invited to speak to these issues. Perhaps it's a question better directed to the cabinet itself as to their position on the issue.

Ms. Catherine Fife: But you do agree that there's an urgency here and there's a need to accelerate protective measures and mitigate the damage of microbeads?

Ms. Krystyn Tully: Yes, I would agree that there's an urgency. Just to put it into context, microbeads and microplastics generally are an emerging contaminant of concern on the Great Lakes.

We do a lot of beach cleanups and waterfront work, especially through our swim guide and our recreational water users' programs at Waterkeeper. Almost 80% of the debris that we're finding on the shorelines of the Great Lakes right now is plastics. Microbeads are just the tip of the iceberg when it comes to the impact of these materials on the lakes. The longer we wait, the more harm is done to the environment, yes.

Ms. Catherine Fife: Okay. Thank you very much for coming in today.

The Chair (Ms. Soo Wong): Ms. Lalonde.

Mrs. Marie-France Lalonde: Thank you very much. I know it was short notice, as I mentioned earlier, but thank you very much for being here today and talking about the bill.

I just wanted to also maybe make you aware that today we passed Bill 77, which is my colleague's private member's bill. It's actually going to become law. I know private members' bills sometimes don't carry that much weight. I'm not saying what the government will be doing, but certainly the intent is to continue the discussion in making sure that we're protecting our Great Lakes.

I'm going to ask you: What would be the impact if we were to do nothing to stop microbeads from entering the Great Lakes? Is there any feasible way to remove the microbeads from our water and ecosystem?

Ms. Krystyn Tully: "Feasible" probably depends on how much money you're willing to spend. My under-

standing is that microbeads are filtered out of drinking water when it's brought in; microbeads aren't coming out of our taps, so there is filtration technology. I don't know whether it's actually feasible to institute that at every waste water treatment plant.

As you are probably aware, we're plagued with combined sewer overflows and outdated infrastructure in most of our urban centres in Ontario, so even if we do retrofit every sewage treatment plant and waste water treatment plant in the province, we still have massive releases to the environment from combined sewer overflows, which have no proper filtration at all. The only way to ensure that microbeads are not making it into the natural environment is to make sure that they're not going down the drain in the first place.

In terms of their impact on the environment, there's the physical effect, there's the filling-up of the fish. They also concentrate and spread contaminants, so there's a water-quality impact. They cover the floor of the lake and the beds of rivers, so there's a suffocation effect that they have. They prevent plant life from growing, so there's a huge ecosystem-wide effect. And because they don't break down in the natural environment—that's one of the main concerns—this isn't a problem that's going to go away if we leave it alone for a couple of weeks. The longer we delay taking action, the more plastics in the environment, and it's there for years and years and years to come.

Mrs. Marie-France Lalonde: I don't know if you know, but I just want to put on record, I was very happy this morning that we passed Bill 66, the Great Lakes Protection Act. I'm happy to tell you this. I know how passionate you seem about the Great Lakes, so we passed second reading this morning, just FYI.

I guess my understanding is that this is a growing problem. I think you referred to how we can easily eliminate it. Maybe just tell me what your recommendation would be for this, as a private member's bill, moving forward.

Ms. Krystyn Tully: Sorry; could you clarify the question?

Mrs. Marie-France Lalonde: Basically what I'm trying to say is, we know it's a growing problem. It is an issue in our Great Lakes. What would your recommendation be to make sure that this doesn't happen again?

Ms. Krystyn Tully: We had an opportunity to speak just before the hearings started and I said that this was an incredibly difficult presentation to write because it seems like such a simple issue. It's an unnecessary product. It's not of a particular social value or benefit. There are alternatives that are environmentally friendly, so there's not an engineering or a technical difficulty. So it doesn't, to me, make a lot of logical sense from a science or research point of view that this is a matter of great debate.

We know what the problem is. We know how to solve the problem. It's an easy solution. There is consensus on the science. There is consensus in industry. There is

consensus within government. I guess the only recommendation I have is that this shouldn't take very long.

Mrs. Marie-France Lalonde: Thank you. I appreciate it.

The Chair (Ms. Soo Wong): Thank you very much, Ms. Tully. Thank you for your presentation.

ENVIRONMENTAL DEFENCE

The Chair (Ms. Soo Wong): The next group coming forward is Environmental Defence. I believe it's Nancy Goucher. Good afternoon.

Ms. Nancy Goucher: Hello. I have some documents.

The Chair (Ms. Soo Wong): The Clerk will come around and pick them up.

As you probably heard, you have five minutes for your presentation followed by three minutes of questioning. This round of questions will begin with Ms. Fife from the third party. You may begin at any time. Please identify yourself for the purpose of Hansard.

Ms. Nancy Goucher: Thank you very much. As you heard, my name is Nancy Goucher, and I'm from Environmental Defence. Environmental Defence works to protect the environment and human health. Protecting fresh water is one of our main focuses, one of our main priorities of the organization. What we do is we try to educate people about the need for safer and cleaner water, including the need to keep our water plastic-free.

For the last few months, we've been working with a number of environmental groups that are interested in banning microbeads from personal care products. With Ecojustice and the Canadian Environmental Law Association, we wrote the briefing note that is being passed around to you at this time. It provides background on microbeads. It provides information about why it's necessary to ban these and general recommendations for Bill 75.

I've also been working to get attention at the federal level on this issue. As Krystyn explained, with Ecojustice, Lake Ontario Waterkeeper and Ottawa Riverkeeper, we sent a formal request to Environment Canada to add microbeads to the Priority Substances List, under the Canadian Environmental Protection Act. Working under CEPA could get us a national ban, which would be great, but it's an incredibly slow process. That's why we need Ontario to act now.

Based on the experience that I've had working on microbeads, I have three key messages for you.

First, microbeads are dangerous, unnecessary and should have never been used in the first place. According to NOAA, "Plastics never really go away when they're in rivers, oceans, or lakes. Instead, they can last decades, fragmenting over and over again into small pieces." Microbeads are a significant source of plastic that's being found in the Great Lakes. The highest concentration found so far was in Lake Ontario with counts of up to 1.1 million plastic particles per square kilometre. Once in the water, these beads can be dangerous. They absorb pollutants, such as PCBs and PAHs that are already present in

the environment. Then, they are eaten by fish and other wildlife that mistake the plastic for food, and this creates a potential pathway for chemicals to gain access to the food chain.

Second, there is broad support for banning microbeads in Ontario. The cosmetics industry association will tell you that most companies that they represent are in the process or have already reformulated their products without microbeads. The public is also onside. Not knowing quite what to expect, we created a petition just before second reading of this bill, and we were overwhelmed by the response. In just 48 hours, we garnered over 4,000 signatures on our petition.

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Microbeads, by far, is one of the most popular issues that we've worked on. It just resonates with the public. And this is good news for everyone involved. It means that taking action to ban microbeads can be a win for everyone involved: for environmental groups, governments and industry groups that are all looking to move forward.

My third message is that if we are going to ban microbeads, we need to do it right—no exceptions, no loopholes. An effective ban would be based on four principles. First, Ontario should be a leader. Ontario is in a good place to be the first jurisdiction in Canada to ban microbeads. A mediocre ban would only serve to further confuse the market. As such, we have a responsibility to ensure that our ban is aligned with the strongest of the US legislation. The US has passed four state laws and they are considering a whole host of other pieces of legislation.

I'd like to encourage you to look at California's Bill AB-888, which I've put forward before you. It still needs to pass the Senate before becoming law, but it's a strong piece of legislation to look at.

The second principle is that there should be no loopholes. The definition of microbeads should capture all types of plastics. The biodegradability of plastic is a concern. Even if the plastic breaks into smaller bits, it can still absorb chemicals, it can still be eaten by fish and it can still be a concern for the food chain.

The third principle is that the bill should have no exceptions. There should be no exemption for any product containing microbeads that are discharged down the drain or otherwise end up in our waterways.

Finally, microbeads should be banned at the point of sale. Focusing solely on the manufacture of microbeads is insufficient because it will not prohibit the import and sale of products containing microbeads.

Thank you for this opportunity to be heard.

The Chair (Ms. Soo Wong): Thank you very much, Ms. Fife?

Ms. Catherine Fife: Thank you very much, Nancy. I'm happy that you've brought in the cross-jurisdictional issues, because whatever goes forward—if the PMB informs a government bill or if the PMB informs future legislation—we totally agree with you about the loophole piece. When Illinois did pass it—I mean, it was monu-

mental, right, 2014—they were able to get that through around cosmetic and hygienic products, but they've been criticized because they left a loophole in it. So that's the concern, that whatever goes forward, we have to make sure that it will address the issue, right? I think that it is an important issue and I'm happy that it is before us for discussion. Do you want to expand on that, around the importance of the strength of ensuring that there are no exceptions, please?

Ms. Nancy Goucher: I think one of the things that I was trying to emphasize is that Ontario has a chance to be the leader here. As the first jurisdiction that has passed in the US, the Illinois bill, other people are trying to mimic the Illinois bill to make sure that there is harmonization, and that's a good thing. But what I would like Ontario to do is go a step further and make sure that they're addressing all the loopholes and the exemptions, so that anyone else mimicking legislation in Canada will go with the strongest piece of legislation.

Ms. Catherine Fife: So for you, that's the Assembly bill passed in California?

Ms. Nancy Goucher: Yes. It hasn't passed yet. It's been passed by the House but not the Senate yet.

Ms. Catherine Fife: This is the finance committee, so going forward we'll have to eventually talk about what resources are needed to ensure that microbeads are in fact removed from the lake. That's going to be a lengthy process, and so that's why I think that there's an urgency here to the passing of a piece of legislation.

There's also a cost, an economic cost actually. I mean, sometimes that resonates more with people. It looks like you've got a lot of attention through your campaign, and I think that's wonderful. People are waking up to the importance of how valuable water actually is, which for some people has taken quite a while, but in the United Nations Environment Programme, they recognize that the cost to marine ecosystems came in at around US\$13 billion a year. That's a huge amount of money. Do you want to speak to the economic impact as well?

Ms. Nancy Goucher: Yes. I know that we talked about what the cost of cleaning up the Great Lakes would be. It's hard to put a number to that; it would be in the billions. Because you can imagine that the microbeads—they're floating in the waterstreams but also settle in the sediment. We've seen how expensive it can be to clean up the Great Lakes from other issues, the areas of concern which have taken decades to clean up. This is a case where it's very simple. What we need to do is stop microbeads from building up in the Great Lakes. We know how to do that and we have general support from a lot of different groups to do so, so I think that's where our focus needs to be in terms of the longer we—

The Chair (Ms. Soo Wong): Okay, I need to stop you there.

Ms. Catherine Fife: Thank you very much.

The Chair (Ms. Soo Wong): I'm going to go to the government side. Ms. Lalonde.

Mrs. Marie-France Lalonde: Thank you very much. You may know, Nancy, but in two weeks, actually, the

Premier and the governors of the Great Lakes are meeting about the quality of the water and everything. That will be discussed, so it's quite interesting to know that—I think it's resonating above and beyond this committee, so it's good.

I'm going to give you a chance. I know we had a conversation about this, but I really want to allow you to talk about one of the recommendations that you brought forward to my attention when we met regarding the bill. It would be the definition. I know this is something important. Maybe just share what you would like to see in terms of amendments on the bill.

Ms. Nancy Goucher: Thank you. I think that the best place to look—when we talked, I provided some different ideas about the definition because this is a really fast-moving issue. There are lots of new bills coming forward and there's lots of research going on. So it's good to keep an eye on this because it continues to move.

At this point, what I'd say is looking at the definitions in the California bill is the best bet. What I think is the critical point here is making sure that whatever passes eliminates the ability to put any plastic in products that are going to end up in our waterways. That's the ultimate goal that we're trying to get to.

Mrs. Marie-France Lalonde: Thank you very much.

The Chair (Ms. Soo Wong): All right. Thank you. Mr. Fedeli.

Mr. Victor Fedeli: Thank you very much. You talked about the ultimate goal and keeping plastics out of the water here, and I appreciate that very sincerely.

On your Bill 75 amendments or thoughts, you talked about the bill focusing solely on manufacture being insufficient because it will not prohibit the import and the sale of products containing microbeads. How does that amendment reach your ultimate goal of keeping plastics out of our water?

Ms. Nancy Goucher: We need to be talking about the manufacture of microbeads and the input of them into the products, but it's also important that those who are responsible for selling products are accountable for making sure that they're not selling products with microbeads.

Mr. Victor Fedeli: Is that above and beyond your ultimate goal? Is this different than your goal?

Ms. Nancy Goucher: What do you mean?

Mr. Victor Fedeli: The fact that these are imports. You said your ultimate goal was to keep plastics out of our water here.

Ms. Nancy Goucher: Are you trying to bring up the jurisdictional issue around—

Mr. Victor Fedeli: No, I just wondered about the amendments here that you're bringing forward.

Ms. Nancy Goucher: Well, what I see is that if we're trying to keep plastics out of water, we need to be banning them at the point of sale.

The Chair (Ms. Soo Wong): Ms. Thompson.

Ms. Lisa M. Thompson: I think we're covering it. In terms of this particular amendment, "Focusing solely on the manufacture of microbeads is insufficient because it

will not prohibit the import and sale of products containing microbeads,” just to take a step back, have you shared these amendments with MPP Lalonde already?

Ms. Nancy Goucher: I’ve shared a previous version of the amendments—

Mrs. Marie-France Lalonde: We’ve had a conversation.

Ms. Nancy Goucher: We’ve had a conversation about this briefing note.

Ms. Lisa M. Thompson: Very good. Because when I asked the question of the earlier deputant, she was confident that that was already going to be prohibited. I just wondered if there was some—

Mrs. Marie-France Lalonde: Not at all.

Ms. Lisa M. Thompson: All right, very good. The other thing is I just want to be on record saying that the PC Party, the NDP, everyone in this room very much cares about protecting our Great Lakes. We may have different paths to doing it but we all truly care about these Great Lakes of ours.

With that said, in your opinion, why do you think microbeads—the dealing with microbeads was stripped out of Bill 66. Why do you think it has to stand on its own?

Ms. Nancy Goucher: One of the weaknesses of trying to look at microbeads within Bill 66 is that Bill 66 only talks about the Great Lakes watershed, whereas what we would want is for microbeads to deal with all of Ontario. 1430

Ms. Lisa M. Thompson: Okay. Bill 66 deals with the Great Lakes-St. Lawrence River basin, so that’s 105 out of 107 ridings.

Ms. Nancy Goucher: Yes, but it is limited to just the Great Lakes watershed, and there’s a significant portion of Ontario that doesn’t fall within the Great Lakes-St. Lawrence River basin.

Ms. Lisa M. Thompson: Okay.

The Chair (Ms. Soo Wong): Thank you very much for your presentation.

OTTAWA RIVERKEEPER

The Chair (Ms. Soo Wong): The next witness is coming to us on the phone, I believe from Ottawa. Ms. Bolt, can you hear us?

Ms. Stephanie Bolt: Hi. Yes, I’m here.

The Chair (Ms. Soo Wong): Good afternoon. My name is Soo Wong; I’m the Chair of the Standing Committee on Finance and Economic Affairs. I’m going to quickly introduce the committee members here this afternoon so that you know who’s sitting here and who will be asking you some questions. On the government side are Laura Albanese, Ann Hoggarth, Marie-France Lalonde—who is the sponsor of the bill—Peter Milczyn and Yvan Baker. From the official opposition are Victor Fedeli and Lisa Thompson, and from the third party, Catherine Fife. Also with us in the committee room is the Honourable Glen Murray, the Minister of the Environment and Climate Change.

As you’ve probably heard, you’ll be given five minutes for your presentation, followed by three minutes for each of the caucuses to ask you questions. This round of questioning will begin from the government side. Do you have any questions before we begin?

Ms. Stephanie Bolt: No, I’m fine, thank you.

The Chair (Ms. Soo Wong): Okay. When you begin, can you please identify yourself and your organization? You may begin any time.

Ms. Stephanie Bolt: Thank you for giving me the opportunity to speak today. My name is Stephanie Bolt, and I’m the director of legal strategy for Ottawa Riverkeeper. Ottawa Riverkeeper is a grassroots charity founded in 2001 that works for the protection, promotion and improvement of the health of the Ottawa River watershed. We are a licensed member of Waterkeeper Alliance, a coalition of over 200 groups worldwide working for clean and accessible water.

The Ottawa River is very long, at approximately 1,200 kilometres. It drains an area of 146,000 square kilometres, an area larger than some countries. It is the largest tributary of the St. Lawrence River and has 17 major tributaries of its own. Approximately two million people rely on the Ottawa River for their source of drinking water, and many people fish in it, both for sport and for food.

Of course, we are here today to speak to Bill 75, the Microbead Elimination and Monitoring Act, 2015, which is a private member’s bill introduced by MPP Marie-France Lalonde. To begin, I would like to commend MPP Lalonde for her leadership on the issue of the pollution created by the unnecessary addition of plastic microbeads to consumer products. Many of these microbeads are so small that they pass through our water treatment plants; end up in our waterways; absorb contaminants such as DDT, PCBs and other industrial chemicals that are present in our water; and get eaten by fish and other wildlife that often mistake them for food.

Scientists worry about the impact this might have on humans who eat this fish and other wildlife. More scientific research is required to understand this area better. Ever since the American environmental organization 5 Gyres first detected high levels of plastic microbeads in Lake Erie in 2012, this has been an issue that has attracted additional scientific study, has had an increasingly high profile in the media and is beginning to be tackled by governments across the United States, in Europe and now in Canada.

Ottawa Riverkeeper firmly supports the main thrust of Bill 75. We feel strongly, however, that certain key amendments must be made to the bill in order for it to achieve its objective of ridding our waterways of this type of plastic pollution. With the time remaining to me, I would like to focus on the importance of extending the bill to include a ban on all types of plastic microbeads, rather than being restricted to “non-biodegradable” plastic microbeads. The bill does not define the term “non-biodegradable.”

I understand that this bill has been modelled more or less off of the Illinois state bill that was recently brought

into law and which refers to “synthetic plastic microbeads” as being non-biodegradable. I admit that I am not a scientist and do not claim to understand the biodegradability of products that the large cosmetics companies are apparently developing in order to meet the requirements of the new Illinois law and the similar laws of various other states that have also been enacted recently. I would like to note, however, as you are likely aware, that the California State Assembly just passed a bill that is more stringent than this Illinois model and would ban the sale of products containing plastic microbeads, simply put.

In order to solve the problem of plastic microbeads entering our waterways, we must ensure that any alternatives we allow will actually biodegrade in a marine or freshwater environment, in a similar time frame to a fully natural additive. I understand that “biodegradable” plastics are designed to decompose in industrial composting facilities and do not biodegrade in a marine or freshwater environment, as a fully natural additive would.

I would encourage the committee to refer to the California model bill, AB-888, as an approach that would effectively deal with this issue of plastic microbead pollution in our waterways. If we are trying to solve a particular problem, we should do our very best to ensure that any law we bring into being results in our actually solving the problem at hand.

I would like to note that we support the detailed written brief submitted by Nancy Goucher of Environmental Defence to MPP Lalonde at a meeting between Ms. Goucher and MPP Lalonde on April 1, 2015, which I now understand has been revised and actually circulated to you today. That brief gives a bit more background to this pollution problem, reviews the strengths of Bill 75 and discusses a few other parts of Bill 75 that we agree could be strengthened in the manner set out in that document. I expect that the committee will be considering that briefing note in its deliberations.

That concludes my remarks. I would be happy to take questions at this time. Thank you.

The Chair (Ms. Soo Wong): Thank you very much. Mr. Baker will begin the questioning for this round.

Mr. Yvan Baker: Thank you very much for joining us by phone and for speaking to this issue. I know that, as a member of Ottawa Riverkeeper, there are many issues affecting the health of the Ottawa River watershed and the ecosystem that exists within it. I’m wondering if you could speak to us about what the urgency is for the elimination of microbeads.

Ms. Stephanie Bolt: In our watershed?

Mr. Yvan Baker: Yes.

Ms. Stephanie Bolt: As a matter of fact, you may know that there has not been any science done on the Ottawa River that I have been made aware of, so we do not know the extent of the presence of microbeads in our waterways. We would certainly like there to be science done on this matter, but we certainly know that there are two million people drinking the water, and two million people also showering and rinsing their products down

the drains. There are consumers who are using these products. There must be these products in the waters. We really look forward to more research being done.

As to the urgency, you’re right: We face many issues. This may not be the number one issue. It is an issue that we are certain is out there, but we are excited by the momentum that this issue is gaining across North America. We’re just very excited to see movement being taken on this, so we support any movement that is prepared to address this problem.

Mr. Yvan Baker: Okay. You spoke during your testimony about the California model, and just now, in responding to my question, you talked about momentum in North America. Could you talk a little bit about other jurisdictions that you’re aware of, what they’ve done and what you think is positive or could be improved upon in that?

Ms. Stephanie Bolt: Well, I don’t have tons of information on that. I do know that, of course, Illinois is being seen as the model since they made their law first. I have six states, as a matter of fact, that I see have passed laws, and they’ve all been modelled after Illinois. I guess different states have different versions of bills. New York has a few going through, and I understand Maryland is one that is the first deviation from the Illinois language, that is stronger than Illinois, that has actually become law, so Maryland is one jurisdiction that you might want to look at.

But I must say that I’m in touch with the people from 5 Gyres. We’re happy to say that we’re doing a campaign right now with Lush cosmetics across North America, because they sell a product that has natural additives in it. I’ve been able to talk to the people from 5 Gyres working on this, and they say that California is the one standard that they support at this point. That is the standard that they are encouraging everyone to look to.

Mr. Yvan Baker: Thank you very much.

The Chair (Ms. Soo Wong): Ms. Bolt, I need to stop you. I’m going to go to Mr. Fedeli.

Mr. Victor Fedeli: Thank you. There are other, I’ll call them amendments, if you will, that are on the floor that talk about—whether it’s biodegradable or whether it’s banning the import. Do you have any thoughts on that particular aspect?

Ms. Stephanie Bolt: Yes, sure. So I’ve spoken a lot to biodegradable. I’ll talk to imports for a second. I did hear you ask that—was it you that asked that question of Nancy Goucher?

Mr. Victor Fedeli: It was.

Ms. Stephanie Bolt: I think what you’re getting at, maybe, is—the fact is that people are in Ontario using these products. How are these products getting into our waterways? They’re either made here wholly or the microbeads are being added to them in Ontario or these products are being imported into Ontario from somewhere else where they were made.

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I don’t know exactly what percentage of the microbeads being used in Ontario right now are actually

manufactured 100% in Ontario, and I don't know what percentage of microbeads get added in Ontario, but I could possibly imagine that a large percentage of the microbeads that we're using today in Ontario are actually just plain old purchased in Ontario—so sold in Ontario, but really they were made somewhere else. That's why it's so important. I do strongly support Nancy's proposed addition to this bill: that the sale is what is really key. That's my take on that.

Mr. Victor Fedeli: So again my question to you then would be—I understand your goal. I understand the whole picture put together, but your piece, you're talking about the Ottawa River watershed and that 1,200 kilometres?

Ms. Stephanie Bolt: That's right.

Mr. Victor Fedeli: How does that affect you in your watershed, specifically?

Ms. Stephanie Bolt: The import of microbeads?

Mr. Victor Fedeli: Yes.

Ms. Stephanie Bolt: Companies in the Ottawa River watershed—since we're talking about Ontario here, not Quebec—in the Ontario part of the Ottawa River watershed, what companies, what stores—

Mr. Victor Fedeli: No. I'm obviously not articulating myself very well. If you're trying to protect the Ottawa River watershed, how does that amendment achieve that particular goal? That's all I'm getting at.

Ms. Stephanie Bolt: If you prevent the import of products to the Ottawa River watershed for the purpose of sale, then you can't be getting these products in Ontario and using them in Ontario in the Ottawa River watershed, so they won't be getting in the water.

Mr. Victor Fedeli: Now, you've answered the question. Thank you.

The Chair (Ms. Soo Wong): Thank you. I'm going to turn to Ms. Fife.

Ms. Catherine Fife: Thank you very much, Stephanie. I'll just get right to the point. You did cite the Illinois legislation that was passed in 2014. You cited that that piece of legislation allowed for some kinds of plastic beads to continue to be used. We agree with you that a private member's bill or a piece of legislation—perhaps a government bill—should be designed to address the core issue, the problem.

As it stands right now, this private member's bill allows a loophole for the synthetic or non-biodegradable microbeads. Is that what you're trying to get across to us?

Ms. Stephanie Bolt: Yes. We're saying that because in this bill, the thing that is banned is "microbeads." What that's defined to mean is "non-biodegradable, solid, plastic particles." So what that's saying is that microbeads that have "biodegradable" solid, plastic particles would be allowed. That's a loophole because the question is: Is it really biodegradable? How quickly does it biodegrade? That kind of thing. So there is a loophole for "biodegradable" plastic particles in the current version.

Ms. Catherine Fife: So in order for this private member's bill to address the issue, it would have to be amended to address all kinds of microbeads. Is that right?

Ms. Stephanie Bolt: Plastic, yes. All types of plastic, basically.

Ms. Catherine Fife: Of course; yes. So I know that Environmental Defence has been calling for the government to actually address this issue, because if a private member's bill received—I don't know if you know this, but Bill 75 will not come into force for another two years after the day it receives royal assent. So, going forward, you would like to see, whatever piece of legislation that comes out of this on microbeads, that all microbeads are included in the legislation?

Ms. Stephanie Bolt: Yes.

Ms. Catherine Fife: Thank you very much.

Ms. Stephanie Bolt: Thank you.

The Chair (Ms. Soo Wong): Thank you, Ms. Bolt. Before you adjourn from us, if you have any written submission, can you please submit it to the Clerk by 4 p.m. today?

Ms. Stephanie Bolt: Okay. I don't have a written submission but I do have a couple of short scientific articles that have references and things that speak to the issue of biodegradability. Would that help the committee?

The Chair (Ms. Soo Wong): Yes, sure. Please submit it to the Clerk by 4 p.m. today.

Ms. Stephanie Bolt: Okay. Thank you very much, Chair. Thank you. Bye-bye.

CANADIAN COSMETIC, TOILETRY AND FRAGRANCE ASSOCIATION

The Chair (Ms. Soo Wong): The final witness before us is the Canadian Cosmetic, Toiletry and Fragrance Association: Mr. Darren Praznik, president and CEO. I believe the Clerk is coming by with a package for all of us.

Mr. Praznik, you may begin any time. Please begin by identifying yourself. You have five minutes for your presentation, and this round of questions will begin with the official opposition party. Thank you.

Mr. Darren Praznik: Thank you very much, Madam Chair. My name is Darren Praznik. I'm the president and CEO of the Canadian Cosmetic, Toiletry and Fragrance Association. We would represent the companies that have used—or are still using, as they eliminate them—plastic microbeads in personal care products. I can speak today about microbeads in personal care products. The larger issue of plastics is part of it, but certainly that's not an area that I'm here to address.

I want to just recognize MPP Lalonde, MPP Thompson and Minister Murray, who all reached out to us on this issue. We've been working with them and their offices on a variety of the issues that this bill raises, and I want to thank them for their efforts.

I also want to recognize member of Parliament Brian Masse, who reached out to us last November. We've been working with him, and we discussed many of these practical issues in the approach to addressing this question. The proposal that he took forward in the House of Commons earlier this year reflected that advice. I've

included copies of some of the material, including his letter to the minister and our letter of support. I think that because we were able to bring industry onside, a remarkable thing happened in the House of Commons: They actually passed the resolution, 297 to 0. I think that was achieved because of the efforts of so many people, including industry, working on this issue.

I just want to flag a couple of other pieces for context. We've talked about plastic microbeads and the environment. Some work done in the European Union suggests that they're probably in the range of about 0.1% to 1.5% of the plastic load in the water. I'm not saying that to point out that it's a small amount, because that 100% is probably made up of a lot of 1% and 2% amounts, so if you're going to tackle plastic loads in water, you're going to have to tackle a lot of particular areas.

Working on microbeads, getting it right and doing it effectively, I think, gives us a basis to start tackling those other contributors to plastics and microbeads. It is the tip of the iceberg, but it gives us a chance—industry, environmental groups and legislators—to work together in an effective way to find the right tools.

In terms of our member companies, we surveyed them. We represent about 150 companies that manufacture, distribute or supply goods and services to the industry in the personal care product business in Canada. We identified 14 companies that had or have plastic microbeads in products. Five of them have already eliminated them in manufacturing, and the other nine are committed to or in the process of doing it. Whenever you do it, there is a lead time for reformulation, and changing manufacturing schedules. Some of the products that they are in are regulated as drugs or natural health products, so they require a regulatory change with Health Canada in order to be able to reformulate. So it does take a little bit of time, and that's why, in fact, the dates in the Illinois bill have become sort of the standard.

When I listened to other presenters here today—I'm not going to read through my presentation—it occurred to me that what we are all struggling to deal with is, how do we take out the loopholes? This is one of the discussions we've had with MPP Lalonde when we met with her. There are a lot of good efforts all over the world, all over North America, to try to address this, but if we don't get it right in terms of definition, applicability and a host of technical details, we're going to have a mess, and if we have a mess, it's not going to solve the problem.

Even though the companies I represent are taking them out, there are still two sources that we will face as a community. One is small, non-brand products, as I would call them, where you have an importer who will bring in a load of body wash or something. Often they come into the discount stores etc. Those companies are often one- or two-time importers of product. They don't have the regulatory capacity. They bring it in. If they're responsible, they'll look to one place to see if they actually are in compliance, and that's the Cosmetic Ingredient Hotlist that Health Canada has. That's probably the only place

they will look. They won't look at Ontario laws or regulations. They'll get in.

The second place is the one that, by definition, is illegal: It's counterfeit product, and we are seeing more and more in the market.

So if we do not have effective regulatory means to address those two streams, even though all the brand companies take them out, we will still have those two sources coming into our water systems.

Why we have been very strong proponents of a federal approach is for two very practical reasons, and this is why I think MP Masse accepted that in his proposal. We already have a vehicle, and we are pushing the federal government to move quickly under the Canadian Environmental Protection Act, because if they can provide a regulation that prohibits those plastic microbeads—and we can talk about the definition of them, I think, in the detail.

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But if we get that prohibition, it allows it then—there is precedent—to be added to the Cosmetic Ingredient Hotlist. That becomes the tool that is available to anyone who's importing or manufacturing to know about it, and knowledge is really important here. Secondly, it's the tool used by the Canada border inspection agency—

The Chair (Ms. Soo Wong): Okay, I'm going to stop you here, Mr. Praznik. I'm going to go to Mr. Fedeli.

Ms. Lisa M. Thompson: Oh, it's me.

The Chair (Ms. Soo Wong): Ms. Thompson. Sorry.

Ms. Lisa M. Thompson: That's all right. Thank you, Chair.

It's good to see you here. Sorry we missed our lunch, but it's good to be here. With that said, to cut to the chase, where do you best feel this situation around managing microbeads is best fitted, if you will, the federal level or provincial level?

Mr. Darren Praznik: Well, it's not just the level. These are in consumer health products. Consumer health products are regulated by the government of Canada on a national basis. The tools that manufacturers and importers look at are all related to that. So it's the Cosmetic Ingredient Hotlist. If you can get a regulation for health or the environment—in this case, it would be environmental regulation—added to the hotlist, you have the tool. The federal government also has the border inspectors, which deal with counterfeit products, and they also have in-store inspectors.

Now, having said that, I recognize very much the slowness of the federal government to move on many of these issues. If the Ontario government or any provincial government—and MPP Lalonde, we've talked about this. If provincial action or the threat thereof pushes the federal government to move, then it is a worthwhile effort. Our concern, though, from a broader perspective we should all have, is that if we are regulating consumer products at different levels of government, we are going to have a hodgepodge, just like all those states with different rules on microbeads—what a mess.

Ms. Lisa M. Thompson: Very good. Let's talk about industry for a moment. In terms of industry, they're moving forward with removing microbeads from their products, and this bill would not come into effect for two years once it receives royal assent. Where do you see the industry two years from now?

Mr. Darren Praznik: The practical reality of why we like a universal set of dates that were worked out in the US—they worked them out; they're a much larger player—is that these products are not made just in Ontario or shipped to Ontario; they are made for international markets. Within the GTA, the largest cosmetic manufacturers, MAC Cosmetics for example, export 90% of what they produce. Some of you have their facilities in your ridings and different parts of the country.

We are in a world where goods move across borders. If we do not have a common definition, a common approach, common dates for implementation, we're going to have a mess. If you look at the Great Lakes, it's not just Ontario water that goes in the Great Lakes; it's other jurisdictions. That's why having as much of a universal aligned approach is important. If states are all doing their own thing and people are competing with definitions, you end up with just a mess and it's impossible to actually then implement it at the product level.

Ms. Lisa M. Thompson: Okay, thank you. One last question: Aside from that gentle nudge of the federal government to get moving and uphold the legislation that was recently passed, do we need Bill 75?

Mr. Darren Praznik: I'm not going to comment on the politics of bringing this forward. I do know when that bill appeared in the Legislature and we talked about it, I think it gave a push for the House of Commons to deal with it. I know that Minister Murray is here. He might make a choice, as minister, to use this in some way. The point is, though, there needs to be some push to keep the pressure, I think, on the federal environment department to keep this moving along.

The Chair (Ms. Soo Wong): All right. Ms. Fife.

Ms. Catherine Fife: Thank you very much, Mr. Praznik, and thanks for raising the regulatory compliance issue because I think that we can craft a very strong piece of legislation, but if the compliance piece is not held in check, then it's just a piece of paper.

I think that Ontario has a leadership role to take on the microbead issue because Mr. Masse, he can't—I mean, this letter was written June 11, 2014, and the commission has not even moved forward with doing a full, comprehensive, cross-jurisdictional analysis of microbeads. He even says that Lake Erie has some of the highest levels—higher than Lake Ontario—of microplastics.

There is a federal election coming, thank goodness. Do you think that this should be an election issue? If you want the federal government to stand up and step up and actually move forward on a piece of legislation, then this is the time to do it. Would you not agree?

Mr. Darren Praznik: It's not legislation that's needed. The powers are there within CEPA. It's just that they have to speed up their process, get through it and get

a regulation. I think, because this has been raised across the country, there's an interest. Ministers of the Environment federally can make things move pretty quickly, and we as industry are prepared to help facilitate that speed.

Ms. Catherine Fife: Yes, and Ministers of the Environment at the provincial level can actually bring forward legislation and regulation under the powers of the Ministry of the Environment to do something about this as well.

Mr. Darren Praznik: It is one of the tools available. Just to pick up on your point about how one proceeds, loopholes and administration, one of the difficulties we shared with MPP Lalonde is just on the definition. The definition, which I think she appreciates, in this bill probably has a lot of loopholes because of the way these products are classified, so consistency is hugely important. Whoever chooses to act to put the pressure on, it's important that those details are consistent. Otherwise, we create reasons not to act.

Ms. Catherine Fife: Exactly. Thank you very much. I think that's your strongest point in your presentation.

The Chair (Ms. Soo Wong): I'm turning to Ms. Hoggarth.

Ms. Ann Hoggarth: Thank you for your presentation. It was very interesting.

We all know how different levels of government work. Sometimes it takes longer than other times. But if there were a provincial framework, what would it look like in regard to timelines and the definition of what constitutes a microbead?

Mr. Darren Praznik: First of all, I think what would be most useful in moving forward is if whatever step Ontario took mirrored what has become the consensus. Whether one likes parts of the Illinois bill or not, it was developed by the national Council of State Governments with a lot of stakeholders. It has been adopted by several states. It may not be perfect in the view of some, but what I think it does is, it gives that snowball effect. If Ontario were to at least send that signal, that would become the model for the feds to address.

I know we've had some discussions with our staff and Environmental Defence about the meaning of "biodegradable" and "non-biodegradable." I think there's still some work that has to be worked out there, because there are meanings around those words. At the end of the day, you want something that is environmentally sound. That's where we all want to be. But the more we can show the feds to be part of that consensus, the faster I think we're going to get the universal movement that we need. We can do something great in Ontario, but if it isn't adopted elsewhere, those microbeads are still going to pour into the environment.

More and more products get sold online—the grey market, we call it—coming in in other vehicles, and they're not even checked at the border. They come through the mail when they're ordered. So we have to be realistic. We don't live in an area with a wall around Ontario.

Why it's important we get it right is because we're dealing with a small part of that plastic load. If we get it

right here, then we can take it forward to address other parts of it.

The Chair (Ms. Soo Wong): MPP Lalonde?

Mrs. Marie-France Lalonde: I want to say thank you very much. I know we had a good conversation. I picked up something, though, and I just wondered: You have 14 companies that you have identified that are using microbeads, and I know five have been—do we have discussions with the other ones? Do we know where they stand and what they're doing?

Mr. Darren Praznik: Yes. We surveyed our members, anyone who was using them. Five have indicated they're out of manufacturing. Some are still doing sell-through right now. The other nine are in various stages of planning their reformulation.

But just to appreciate: Most of these products are not even made in Canada. They're made for international markets, so they're not just looking at Ontario. They're trying to say, "Okay, what's the time frame we have to implement? We have lots of changes to do." Many of these products, for example, end up in stores as part of Christmas packaging etc. They're pre-ordered a year in advance. So there are timelines required, but I think everybody is in the process now of either being out of them or in the process of their planning and implementation to get out of them.

Mrs. Marie-France Lalonde: Thank you.

The Chair (Ms. Soo Wong): Thank you very much. I'm going to adjourn the committee.

The committee adjourned at 1500.

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Standing Committee on Finance and Economic Affairs

Protecting Condominium
Owners Act, 2015

Comité permanent des finances et des affaires économiques

Loi de 2015 sur la protection
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LEGISLATIVE ASSEMBLY OF ONTARIO

STANDING COMMITTEE ON
FINANCE AND ECONOMIC AFFAIRS

Thursday 22 October 2015

The committee met at 0900 in room 151.

The Chair (Ms. Soo Wong): Good morning. I'm going to call the meeting to order to consider Bill 106.

SUBCOMMITTEE REPORT

The Chair (Ms. Soo Wong): Before we begin the public hearing on Bill 106, I believe there's a subcommittee report. Mr. Fedeli, do you want to read the report on the record, please?

Mr. Victor Fedeli: I'd be delighted, Chair.

Your subcommittee on committee business met on Thursday, October 8, to consider the method of proceeding on Bill 106, An Act to amend the Condominium Act, 1998, to enact the Condominium Management Services Act, 2015 and to amend other Acts with respect to condominiums, and recommends the following:

(1) That the committee meet in Toronto on Thursday, October 22 and 29, 2015, for the purpose of holding public hearings.

(2) That the Clerk of the Committee post information regarding public hearings on Bill 106 for one day in the Toronto Star, on the Ontario parliamentary channel, the Legislative Assembly's website and on Canada NewsWire.

(3) That the deadline for requests to appear be 12 noon on Monday, October 19, 2015.

(4) That the Clerk of the Committee provide a list of all interested presenters to the subcommittee following the deadline for requests.

(5) That each caucus provide their selections of witnesses based on the list of interested presenters received from the Clerk of the Committee by 12 noon on Tuesday, October 20, 2015.

(6) That all witnesses be offered 10 minutes for presentation and five minutes for questioning by committee members on a rotation by caucus.

(7) That the deadline for written submissions on Bill 106 be 6 p.m. on Thursday, October 29, 2015.

(8) That the research officer provide the following information to the committee prior to clause-by-clause consideration of the bill:

- recent changes regarding the rights of condominium owners in the province of British Columbia and Quebec;
- existing dispute resolution mechanisms in other North American jurisdictions;
- summary of oral presentations and written submissions received.

ASSEMBLÉE LÉGISLATIVE DE L'ONTARIO

COMITÉ PERMANENT DES FINANCES
ET DES AFFAIRES ÉCONOMIQUES

Jeudi 22 octobre 2015

(9) That amendments to Bill 106 be filed with the Clerk of the Committee by 12 noon on Tuesday, November 3, 2015.

(10) That the committee meet for clause-by-clause consideration of Bill 106 on Thursday, November 5, 2015.

(11) That the Clerk of the Committee, in consultation with the Chair, be authorized prior to the adoption of the report of the subcommittee to commence making any preliminary arrangements necessary to facilitate the committee's proceedings.

The Chair (Ms. Soo Wong): Thank you, Mr. Fedeli. Are there any questions, comments or debate on this subcommittee report?

Seeing none, all those in favour of the subcommittee report? All those opposed? Thank you.

PROTECTING CONDOMINIUM
OWNERS ACT, 2015LOI DE 2015 SUR LA PROTECTION
DES PROPRIÉTAIRES
DE CONDOMINIUMS

Consideration of the following bill:

Bill 106, An Act to amend the Condominium Act, 1998, to enact the Condominium Management Services Act, 2015 and to amend other Acts with respect to condominiums / Projet de loi 106, Loi modifiant la Loi de 1998 sur les condominiums, édictant la Loi de 2015 sur les services de gestion de condominiums et modifiant d'autres lois en ce qui concerne les condominiums.

The Chair (Ms. Soo Wong): Now I'm going to call the first witness to today's hearing. I just want to go through the procedure first. Each witness has 10 minutes for the presentation, followed by five minutes of questioning by rotation, starting with the official opposition party. I want to thank all the witnesses coming before us this morning.

ASSOCIATION OF CONDOMINIUM
MANAGERS OF ONTARIO

The Chair (Ms. Soo Wong): The first witness coming before us is the Association of Condominium Managers of Ontario. Are they here? Good morning. Welcome. Come on down. While you're taking your seats, I'm going to ask that you identify yourself and

your position with your association for the purpose of Hansard. You may begin any time, and I will stop you at the 10-minute mark. Thank you. You may begin.

Ms. Catherine Murdock: Good morning, Madam Chair and committee members. My name is Catherine Murdock, and I am currently the president of the Association of Condominium Managers of Ontario.

Mr. Dean McCabe: My name is Dean McCabe, and I'm a past president and director of the Association of Condominium Managers of Ontario.

Ms. Catherine Murdock: It is my great pleasure to be asked to present to you here today on behalf of the Association of Condominium Managers of Ontario, known to our members and to condominium owners and board members across Ontario as ACMO. Our association strongly supports the move to license condominium managers, and to proactively recommend this move, even before the current review process began.

Since 1977, ACMO has developed the most advanced, detailed and widely recognized educational platform for training condominium managers in the country and has represented the growing condominium sector in Ontario in the process. The RCM designation is held by over 850 of the province's estimated 2,700 condominium managers, and it is on behalf of those 850 members and, indeed, the entire condominium community that we are pleased to appear before you here today.

Since the government of Ontario and the Ministry of Government and Consumer Services began the unique and inclusive process of consulting with stakeholders on potential revisions to the Condominium Act, ACMO has been an active participant in bringing thoughtful views to the process, with the aim of better protecting condominium owners and allowing the legislation to better serve condominium owners and boards.

I am joined today by Dean McCabe, the chair of ACMO's legislative review team, who participated in stakeholder round tables and working groups throughout the consultation process to provide the input of condo professionals who work with the legislation every day, and who joined Minister Oraziotti in announcing to all Ontarians on May 27 that Bill 106 was being introduced to update the Condominium Act and to license condominium managers.

I'd like you to hear from Dean now.

Mr. Dean McCabe: Good morning, Madam Chair and committee members. Great work has been done in the drafting of this proposed legislation. It's work which took a great many viewpoints and concerns and weighed them against the greater good: the good of condominium owners who need to be able to rely on the legislation that governs their homes and communities to protect them and to balance their rights with the rights of other owners.

Prior to attending this morning's hearing, ACMO participated in a meeting of the joint legislative review committee with representatives of the Canadian Condominium Institute, several of the top condo lawyers in the province, engineers and auditors who service the condo

sector, and condo owners and board members. From those consultations, we've combined a series of 28 forms which address a variety of issues, both minor and major. Copies of those forms have been provided for you today.

I cannot stress enough that our purpose in presenting these forms is to assist government in seeing how those who work with this legislation and interpret it in their daily workplace and communities will be affected by its contents and in preventing unintended consequences that could and will arise if Bill 106 is passed in its current form. While we recognize that much of the work remaining will be focused on the regulations—and we look forward to continuing to participate in consultations during the drafting of those regulations—we would like to draw the committee's attention to just a few of the possible issues that could be prevented with minor alterations to the bill, which we feel in no way alter the intended protections offered to unit owners.

Section 19 of the current Condominium Act states, "On giving reasonable notice, the corporation or a person authorized by the corporation may enter a unit or a part of the common elements ... at any reasonable time to perform the objects and duties of the corporation...." This protection given to the corporation allows it to carry out its duties, from the responsibility to repair and maintain the common elements to the responsibility to protect other owners by making necessary repairs if a unit owner fails to make those repairs themselves.

In addition, the definition of "reasonable notice" in the current legislation has developed to include immediate entry in the event that an emergency is causing damage to other units. The new proposed wording removes this from the act and, instead, downloads the power to the declaration or a bylaw to provide this authority. As the ministry has learned during the consultation process, this approval process of 50% to 80% of owners, in the case of a declaration change, can be difficult.

0910

We strongly believe that the majority of unit owners deserve to know that management and the board will act quickly and decisively to protect their property. That includes entering other units to stop water damage, remove mould or take action to prevent dangerous conditions from going unchecked. We would ask that the committee review issue sheet 4 in our submission, and recommend corrective wording.

Ms. Catherine Murdock: It will come as no surprise to those who have followed the consultation process that ACMO supports the licensing of managers and the creation of a designated administrative authority, or DAA, built to oversee the regulation of our profession and dedicated to ethical and disciplinary oversight to ensure consumer protection and elevate confidence in a profession filled with hard-working individuals who work with volunteer board members to provide safe communities and sound investments for condo owners.

ACMO's education program has formed the basis of the construction of the educational component of the stage 2 licensing requirements in the recommendations

from the experts' panel and the manager qualifications advisory group. ACO looks forward to partnering with the newly formed DAA to provide reliable, knowledgeable professionals to fill the growing need of condo communities in Ontario.

Mr. Dean McCabe: The Condominium Management Services Act, presented as part of Bill 106, recognizes the need and sets the stage for the future of our profession. It's clear that condominiums have called for regulations on how condo records are turned over when a condo board chooses to change their management provider. The standards in our own ACO 2000 program, an ISO-style best practices designation, have recently been amended to reflect the same criteria.

Section 53 of the Condominium Management Services Act states that "subject to the regulations, every licensee that provides condominium management services to a client shall immediately transfer to the client all documents and records relating to the client..."

Issue sheets 26 and 27, which have been provided, detail some concerns over the possible interpretation of the words "all" and "immediate." That could create serious unintended consequences for both the management company and the condominium board. The immediate turnover of all records would effectively prevent the manager from preparing the financial statements for the final month of their management tenure and leave the board relying on financial information that will take longer to prepare and not be as accurate if provided by a company that was not responsible for managing during the transition period.

In addition, the use of the word "all" could be strictly interpreted to mean that the management companies are not entitled to retain even copies of any material produced during their tenure as the management representatives of that condo. This right to retain copies of documents created by the management company should be protected by clarifying the wording of this section in the Condominium Management Services Act.

Finally, ladies and gentlemen of the committee, our legislative review team raised concerns over a matter that we believe speaks to the very foundation of condominium ownership. The indemnification provision is a key feature of the declaration and an important part of the protection afforded to condo owners. In essence, it is part of the social contract involved in purchasing into a condominium community. Unit owners should be held responsible for their misdeeds or negligence, and other unit owners are entitled to be protected from the misdeeds or negligence of others. This indemnification provision was omitted from the drafting of the current act in 1998, but it has been recognized as being enforced in declarations that are drafted to contain the provision.

It is the belief of many in the condominium community that the act itself should contain an indemnification provision to universally protect all owners. If the government feels that the act is not the proper place to insert such a universal provision, then section 107 of Bill 106 should be amended to state that all declarations are deemed to include such a provision.

Ms. Catherine Murdock: In closing, and in advance of any questions that we can answer for the committee members, let me say, on behalf of ACO and the 850 registered condominium managers across Ontario, that we believe the process that has unfolded to date will make for a stronger condominium sector in Ontario and stronger condo communities in every one of the 104 provincial ridings across the province.

The Chair (Ms. Soo Wong): Okay.

Mr. Dean McCabe: I have one more paragraph if we have a moment.

The Chair (Ms. Soo Wong): One more paragraph. Okay.

Mr. Dean McCabe: This is not made-in-Toronto legislation for a made-in-Toronto problem. It is legislation that has been drafted after listening to the views of stakeholders, service providers, condo owners and board members as well as professional managers. It is inclusive legislation that leaves those who have participated in its drafting obliged to work together to make it successful. Thank you very much.

The Chair (Ms. Soo Wong): I'm going to turn to Mr. Barrett to begin the questioning.

Mr. Toby Barrett: Thank you to the condominium managers' association. Your message came through clearly, with respect to the licensing of condo managers. You mentioned it's not a made-in-Toronto approach in your deputation. I'm not sure how that would apply to, say, many of the very small units that have a part-time manager or really don't have a manager. Maybe it's the builder.

By the same token, so much of our interactions often-times are with the condo owners and concerns about the boards. This may be more in certain buildings, maybe smaller buildings, where the people on the board perhaps don't have those kinds of skills as far as governance and chairing meetings. Maybe they didn't come up through Rotary Clubs or Lions Clubs. However, with so many small municipalities, we have excellent councils—even though they may have as many residents as some of the large condos.

As far as the boards, are we taking power away from the boards with the creation of a tribunal? Should there be more work done on bringing boards along as far as how to take minutes and look after the books?

Mr. Dean McCabe: Thank you, MPP Barrett. No. The Condominium Act, even as revised, leaves the authority for the governance of condominium communities with the elected board. I think that part of the purpose of the condominium authority, which is proposed to be set up, is to help and provide additional education, to provide resources for those boards.

But it is important to note that Bill 106 and the Condominium Management Services Act in no way makes it an obligation on a condominium to have a professional manager. What it does say is that if an individual or a condo community is to select a condominium manager, that person must be licensed, and the owners who live in that community are entitled to be protected by that.

No, we don't believe that it removes any authority, but we do believe that the setting up of a condominium authority will help provide additional resources.

Mr. Toby Barrett: Okay.

The Chair (Ms. Soo Wong): Mr. Fedeli.

Mr. Victor Fedeli: Thank you very much for the presentation.

You talked about a wording change with respect to property entry, that chapter. Why do you think that section or that portion of the wording was changed? Was it an unintended consequence, or was there a reason why that section was altered?

Mr. Dean McCabe: Thank you, MPP Fedeli. To be quite honest with you, I'm not sure why it was changed. I can't put myself in the place of the drafters. However, I think that there have been concerns about boards and management companies—managers—who may have entered properties without giving proper notice. People feel that their home is their home, and people having the right to enter it is certainly something to be taken seriously.

Unfortunately, a home on a private street, where no one has the right to enter it and make repairs, is one issue; but when that home is beside another home, on top of another home, and underneath another home, there are times when we need to enter that property to prevent damage to other units.

Unfortunately, when we were reviewing the bill, we saw the potential for a property manager to be standing at the door of suite 404, concerned about the fact that water from that unit is running into suite 304, and not being able to enter it to either turn off the water or shut it off for repairs.

Mr. Victor Fedeli: Only seeing your proposal for the first time now—do you have the solution to that included?

Mr. Dean McCabe: We do have it. What we've tried to provide in the proposal that we've given you today are 28 issue sheets, each of which identifies the current wording, the proposed wording, details of what we think the problem with that wording is, and potential unintended consequences, and then provides a recommendation. We certainly leave it to the members of this committee, the Legislature and the ministry drafters to review those and see which are appropriate changes to be made that are still in line with the spirit of the Condominium Act.

Mr. Victor Fedeli: Which number specifically was this one, if I wanted to—

Ms. Catherine Murdock: Number 4.

Mr. Dean McCabe: That one was item number 4, sir.

Mr. Victor Fedeli: Okay. How much time?

The Chair (Ms. Soo Wong): One minute. Short answer.

Mr. Victor Fedeli: Okay. Do you have anything else, Toby?

I want to push on this one just a little bit more. My mom owns a condo in North Bay. She happens to be on the fourth floor, and somebody on the fifth floor right

above her had this very instance. I just want to say that I support that approach. There was water from the neighbour above coming into her unit. I don't know what she would have done if the ability wasn't there to be able to go in and turn the water off.

0920

The Chair (Ms. Soo Wong): Mr. Fedeli, I need to stop you there.

Thank you very much for coming here.

Mr. Dean McCabe: We hope those changes will help, sir.

Mr. Victor Fedeli: So do I.

Mr. Dean McCabe: Thank you.

MR. HOLLAND MARSHALL

The Chair (Ms. Soo Wong): The next witness is Holland Marshall. The Clerk is coming around with the presentation.

Mr. Marshall, welcome. As you heard earlier, you have 10 minutes for your presentation followed by five minutes of questioning. This round of questioning will be coming from the third party.

You may begin anytime. Please identify yourself and your position—unless you're coming as an individual—for the purposes of Hansard.

Mr. Holland Marshall: I'm an individual and I have a condominium website called condomadness.info. I've been working on it for a few years.

Thank you for allowing me to speak to the committee. I wish to raise a few concerns I have with Bill 106.

Sections 134(5) and (6), recovery of full legal costs: This section is a nasty section that was introduced into the last revision of the act and needs to be repealed, not amended. When enacted, it was not envisioned that vindictive condo boards would use this section to financially cripple owners that they took a dislike to and give the majority of the board the power to drive owners from their homes and even drive them into bankruptcy. Amending the act to allow owners the right to full costs is dangerous, because both sides will need to win court orders in order to get their full legal costs paid. If you believe you can win all your costs, there is no incentive to settle. The only ones who benefit from this section are the lawyers.

The payment of legal costs is not equitable—this is section 134(7). If the condo corporation wins the award, after they get the award they've got 30 days, and then after that they start a 90-day process to lien the unit. So they get their full costs immediately. Bill 106 proposes that if the owner wins a court order, then he or she can also get full court-ordered costs, but if the condo doesn't pay within 90 days, the owner can withhold their unit's monthly expenses until the court costs are recovered.

There's very much that's wrong here. What is the rate of interest that the condo will pay on the outstanding court costs? Also, if the owner wins \$20,000, it could take an owner five years or more to recover their costs. How can an owner sell their unit, even if they live in a

toxic environment, if they need to stay on title to get their costs back? There's nothing worse than living in close quarters with hostile neighbours.

The act should be changed so that if the owner wins, the condo pays within 90 days. What is good for the goose is good for the gander. But the best thing to do is get rid of section 134(5).

Non-leased director's position, section 28(3): Leave this section as it is. Changing "owner-resident" to "non-leased" means that the developer's unsold units, short-term rental units, owners who have relatives or friends living in their units, units that are used for small businesses and units that are in between leases will all be able to vote as non-leased units. The absentee owners and developers will outnumber the owner-residents in many of the new condo developments. The chances of an owner-resident being on the board go down to next to nothing in many of these new condos.

Section 7(5), declarations need not be reasonable: Bill 106 adds a phrase to the start of this subsection that says that declarations can be unreasonable. What place does the word "unreasonable" have in an act that is amended to improve consumer protection?

For example, some developers have added sections to their declarations to allow an unlimited number of short-term rentals for any duration or on any number of occasions. The website Breather connects renters with condo units that can be rented by the hour. I have that on page 6 at the back. Other unreasonable sections we will see in future declarations are whatever the developers can make money off of. "Unreasonable" does not belong in the act.

Section 46(7)(b), owner requisition meetings: If the board receives a proper requisition to call an owners' meeting and refuses to do so, until the Condominium Authority Tribunal is established, which could take a couple of years, it states that the requisitionists will have to apply to Superior Court for a resolution.

This is a big step backwards. The requisitionists should retain their existing rights to call an owners' meeting if the board refuses to do so. Not allowing the requisitionists to call a meeting is outright unethical and oppressive.

Section 59, shared facilities bylaws and rules: Section 59 has been completely repealed and the shared facilities bylaws and rules have been moved to subsection 21.1(4). Depending on what the regulations state, condo owners could lose the right to vote on the shared facilities rules and bylaws. This affects such things as parking rules, which may unfairly favour commercial owners over the residential units, and what hours the amenities will be open. This is also very important because bylaws include loan bylaws, so that a shared facilities committee, which is appointed and not elected by the owners, could have the right to sign loans worth up to millions of dollars without the owners having any say in it.

Section 118, entry by canvassers: The act allows politicians and their canvassers entry into all residential units during election campaigns, but many condos will not

allow candidates to go door to door during condominium elections or to gather signatures for a petition to requisition an owners' meeting. The owners' right to canvass in their condos needs to be added to section 118.

Election fraud is missing. It's not mentioned whatsoever in sections 46 to 52. There is nothing in Bill 106, including sections 46 to 52, that prohibits employees of the property management company from collecting, storing and registering proxies and registering the owners. This is a normal practice that must be prohibited. There is far too much election fraud in condo elections and the management company employees are involved in far too much of it. Having management involved in the election process is completely inappropriate. This encourages fraud. Electronic voting just makes all of it even worse. Somebody is going to phone in to the management company and register a vote. The management companies depend on incumbent boards of directors to keep their jobs. Guess what? The incumbents always win.

Prevention of punitive interest rates: This needs to be added into the act. In a recent Superior Court judgment, Justice D.L. Corbett called \$50,000, which was the claimed interest on a dispute of \$70,000 for outstanding costs, "punitive." I agree.

The new regulations need to state the maximum rate of interest that a condo corporation can charge owners. Rates of 18% are normal, but I've seen them as high as 24%. Interest rates of 18% to 24% may be fine for credit companies but not for non-profit corporations.

Short-term rentals: They've got to be prohibited by the act. Use the act to ban short-term rentals in residential condo corporations. Condos are supposed to be homes, not businesses. Short-term rentals are a tremendous burden on condo owners. Another concern is that residential condo units do not meet the hotel building and fire codes. These are residential units, not hotel units. They're not as safe.

Little protection for purchasers of resale condos: This has to be addressed. There is work being done to curb some of the worst abuses by developers but little thought seems to be directed toward helping purchasers of resale condos. Everyone from the commission-driven realtors to the existing owners has a vested interest in hiding the condo corporation's defects from potential buyers and they're very, very good at it.

In conclusion, almost no one understands that when you buy a unit in a condominium corporation, you are opening yourself up to the possibility that three of your neighbours—the majority of a five-member board—can destroy almost all the equity you've invested in your home.

Consumers need to be aware that by buying a condo, you're investing in a private corporation that is directed by unpaid amateurs who vary greatly in skills, knowledge and motivation. Some directors want to maintain the property over a long period; others just want to keep the fees low. The owners better keep a close watch over their investment. No one else will do it for them.

Furthermore, if the majority on the board takes a dislike to you—for good reasons or for bad—they can use their position to force you to pay thousands in legal fees, force you to sell your home and even drive you into bankruptcy.

On the last couple of pages I have sources. I'd like to quote, if I have time—

The Chair (Ms. Soo Wong): Mr. Marshall, your time is up. I'm going to turn to Ms. Fife to ask you some more questions. You'll have more opportunity to speak about the other items.

0930

Ms. Fife?

Ms. Catherine Fife: Thank you for coming in and providing such a comprehensive review. It was really important for this committee to hear the real, lived experiences of condo owners and not just from those who have investments in it. I think that you've made some very good points.

I think the point on sections 134(5) and (6), around there being no incentive to settle is a very strong point. The legal costs, I know, have been quite crippling for many people going forward.

The other issue that I took great interest in is the short-term rentals. Do you want to expand on that just a little bit more? I think you made a good point about these units not being up to hotel and fire code standards. Condo owners will say, "This is my unit and I would like to rent it out for a year or two years." Are you referring to weekly, monthly?

Mr. Holland Marshall: I refer, on page 6, to a declaration from a seven-year-old building in Etobicoke. The declaration says "used only for residential purposes, and for the business of providing transient residential accommodation." Why are residential units being used as business?

In section (ii), it says "for any duration and on any number of occasions."

You can rent your condo by the day, by the weekend, by the hour, and there is nothing that the corporation or the condo board can do about it because it's in the declaration. A lot of the new developers are putting these in, and they themselves are doing short-term rentals for a month, but an individual can rent as low as for a day or an hour. There is a website called Breather where you can rent a condo unit for an hour for whatever reason.

As far as how nasty things can go, in a recent case, on May 19, when the lawyer was saying that condo living is like being in a club, Justice Myers said, "One difference. With a club if the board finds someone they do not like, they make their life miserable."

Ms. Catherine Fife: That leads me to my last point around the election of board members. Governance, I know, is going to be an issue—the strength of the board, and governance as a whole. You say that there's election fraud in condo elections. You make a good point about the management company being very involved in that process. Do you want to expand on this a little bit, Mr. Marshall?

Mr. Holland Marshall: On my website I started a year and a half ago, I had one page on election fraud. Now I have two full chapters. We have everything from prime ballot positioning to refusing legitimate proxies, refusing owners' statements that they're in arrears when they're not. All kinds of tricks are being played and the property management is heavily involved in it. It doesn't matter whether they have their RCMs or they don't have their RCMs. Their jobs depend on the incumbent staying in power, and they will do what it takes to make sure they stay in power.

Ms. Catherine Fife: Thank you very much for coming in and sharing your views with us.

The Chair (Ms. Soo Wong): Thank you very much, Mr. Marshall, for being here.

MS. BARBARA CAPTIJN

The Chair (Ms. Soo Wong): The next witness is Barbara Captijn.

Good morning. Welcome. As you probably heard, you have 10 minutes for your presentation, followed by five minutes of questioning. This round of questioning will begin with the government side. You may begin any time. Please identify yourself or whatever organization you represent and your position there.

Ms. Barbara Captijn: I would like to thank the members of the committee for inviting me here today, as a private citizen, to talk about things which are very important to residents of Ontario.

My name is Barbara Captijn. I'm a new homebuyer in Toronto. I live and work in the downtown core, and I am the author of a consumer blog regarding new-home-buying issues in Toronto.

First of all, I'd like to say thank you very much for bringing this bill in the first place, and all the work that's gone into it. I think there are many, many good things in this bill. Many of these improvements are long overdue, and many private citizens like myself want our thanks to go to those who have worked on this.

But I'm here today to talk about what I find is missing from the bill and what concerns me a great deal. It's very difficult for a member of society to just appear before a formidable group such as yourselves and voice some concerns that I really feel must be raised and must be raised now.

I'm making a personal appeal to you to please consider amendments to Bill 106 which have to do with the following: I'm very concerned that there are gaps in this bill which have to do with consumer protection. I feel that if these issues are not properly addressed now they will grow and fester and they will come back to haunt us. These problems will become more serious for new homebuyers in the future. There are serious amendments which have to be done for consumer protection and those include reforms to Tarion, which is the regulator of the building industry. I believe that Bill 106 does not go far enough in protecting consumers and this is an opportunity to do it. I would like you to consider

amendments which would take that very opportunity, seize it, and make this bill more important in consumer protection.

As I walked here today from my own neighbourhood I was conscious of the fact that I'm very apprehensive about walking next to tall, glass condo buildings. It's very hard to avoid these things now because if you live in the downtown core, that's really all you're seeing. We've all read the news of falling glass, unsafe balconies, unstable roof antennas and million-dollar class action lawsuits for shoddy construction. It seems that this just goes on and on and on. It concerns me a great deal. Why are buildings continually being built more quickly, more cheaply, with more inferior materials and with inadequate supervision, apparently, of the construction process?

A few weeks ago, my own street in my neighbourhood was blocked off to traffic for more falling glass. I saw ambulances on the street; two people being injured and taken away; shards of glass in the neighbourhood where I walk every day.

In August last year I had to avoid another major downtown street where a building had been declared unsafe due to falling glass. So the very people, apparently, who gave the occupancy permit to that building in the first place and approved the construction are now declaring it unsafe. I'm not afraid of crime walking down our streets; I'm afraid of buildings attacking me. That's absurd.

We're in the year 2015. We all know, in this room, how we can take preventive measures to provide real deterrents to shoddy building. We know how to do it. I'm asking you in this bill to take up that opportunity and step up to the plate and do this part of consumer protection, which we've all been crying for for years.

I took the time, as a private citizen, to try to understand this and I'm here today to tell you that, although I don't understand everything that is in there, I believe that there are some very good things, and, as I say, thank you for that. I'm here to ask you to consider bringing in amendments which will provide real transparency and accountability to the regulator of the building industry who is supposed to protect people like me: Taron Warranty Corp. We need proper transparency. We need proper consumer representation on Taron's board. We need to have the confidence that this is a transparent organization. It's a monopoly and it can make its own regulations without scrutiny from you or me or members of the public.

Taron has a huge responsibility towards us, and yet I think consumers want to have the confidence that this is a transparent organization and that we can see what they're doing with our money and we can tell whether that's the best use of this money. All of us who buy new homes and condos have to pay a mandatory fee to Taron. Please show us what is happening with that money.

0940

I've tried to contribute to every consultation that Taron has done. We are not even allowed to see a record

of our comments from the consumer side. There's not enough consumer representation there.

I believe that Bill 106 opens the door to bring in proper transparency and accountability measures for Taron.

This bill entirely leaves out—it says nothing about—making builders responsible for shoddy construction and making unscrupulous builders accountable to their end users. I am the end user of all of the services that we're talking about today—building condos, selling them, marketing.

The end users like myself have a very big interest in making sure that the government bodies who have been given the responsibility to oversee consumer protection are actually using our money to do that, and that we're not looking at a powerful building industry actually capturing the regulating body for its own purposes. I'm very, very concerned about that, and I am asking you to please take that into account. It's an opportunity to step up to the plate and make this bill even stronger in consumer protection.

I listened to the debates in the Legislature—I didn't listen to them, but I saw them online. I'm not the only one raising these issues of concern about a regulator of the building industry which is not subject to sufficient checks and balances on behalf of our government, to protect us.

I don't want to walk down the streets of my neighbourhood and feel fear, not because of crime but because of shoddy construction. There's just no reason to allow that.

I run a small business, and I'm accountable for the end product which I deliver to my customer. If the customer is not happy with it, I can't sell my product. But Taron is a monopoly. We don't have a choice.

Consumers are being asked to trust, but no one can verify whether in fact Taron is providing, as regulator, enough deterrents to shoddy building, which we can all agree brought us here in the first place. The falling-glass condo crisis and the article that appeared in *Toronto Life* in 2012 is the impetus behind the review of this bill. Well, I am still here talking about this same problem, so we haven't addressed it.

I speak for many consumers here today who don't have the ability to come here. I know that it's extremely important to all of us that you please consider amendments to Bill 106 to address these direct gaps in consumer protection which have to deal with the regulator of the building industry, Taron Warranty Corp. Please add amendments which will allow cabinet to bring transparency and accountability to Taron.

If not, the root cause of the very reason why we're in this room will not be addressed. We'll miss an opportunity, and that would be a shame, and that would be very detrimental to consumers in the most important investment of their lives.

Please, I'm asking you to bring amendments to this bill.

The Chair (Ms. Soo Wong): Thank you very much. I'm going to turn to the government side. Mr. Milczyn.

Mr. Peter Z. Milczyn: Thank you, Ms. Captijn, for your presentation this morning. Certainly, you're well known as an advocate for purchasers of homes that have issues.

I did want to focus on some of the changes that are proposed in this legislation which do impact on some of the issues that you've raised. Certainly, a big gap in the construction and sale of new homes in this province has been the renovation and retrofitting of older structures into residential condominiums. Whether it's an old church or an old factory converted into lofts, for many years, although it's been a new home and it's been marketed as a condominium and it's been sold to purchasers, those people had no protection for a new-home warranty program. That was identified as a big gap. Obviously, there is certain additional jeopardy, perhaps you could call it, when you're buying a retrofitted structure. It's not a brand new foundation; it's not necessarily brand new walls and structures. That was, I think, a big gap in this province and one that this legislation addresses by ensuring that that renovated church or renovated factory loft building, if it's sold as a condominium—that those purchasers have the protection of Taron. You might have issues with what that protection is, but it's certainly a huge step forward. Would you agree that that is a positive step in this legislation?

Ms. Barbara Captijn: Well, thank you, MPP Milczyn. Yes, I do. As I began by saying, there are very good things in this bill, but latent and concealed defects are what kills the finances of most young families buying new homes. Defects don't become discoverable the moment that you walk in, sign the papers and the Taron warranty expires. In the homes you've suggested, which are homes using an existing foundation or facade—I have experience with those as well—I think it is probably a good idea to afford protection of those. But that's not the reason why I'm here. That is probably a small sector of the market.

I'm talking about serious construction defects and Ontario Building Code violations, which continue to be built in that type of home, perhaps, and other homes. We're putting band-aids on this issue but we're not addressing it head on. The problem is lack of transparency at the government monopoly which is charged with regulating the building industry.

Yes, there are very good things in the act and I commend you for that. It doesn't go far enough to protect consumers. That's my view, sir.

Mr. Peter Z. Milczyn: Thank you for that. I just want to focus on the fact that the purpose of this act, though, is protection for condominium owners and, in this respect, purchasers. Issues around the Ontario Building Code and whether municipal building officials are adequately inspecting and upholding code are very serious issues, but they're out of the scope of necessarily focusing on the protection of condominium owners.

I also wanted to focus on the fact that you, over the years, have raised some good issues around transparency in a delegated administrative authority. I just wanted to

point out to you that in this act the new delegated administrative authority that's being created to oversee condominium managers and condominium boards actually puts in place a lot of those transparency measures which you've identified around transparency, about salaries, who the staff are, the fees that are collected and how those fees are spent—

The Chair (Ms. Soo Wong): Mr. Milczyn, your time is up. I'm very sorry.

Thank you very much for your presentation, Ms. Captijn. Okay? Thank you.

Ms. Barbara Captijn: I'm not allowed to respond to that?

The Chair (Ms. Soo Wong): No, I'm sorry. We're very tight on time, so very sorry.

MR. CHRIS JAGLOWITZ

The Chair (Ms. Soo Wong): The next witness before us is Chris Jaglowitz. Good morning. Welcome. Come on down.

Mr. Chris Jaglowitz: Good morning.

The Chair (Ms. Soo Wong): As you heard, you have 10 minutes for your presentation, followed by five minutes of questioning. This round of questioning will begin with the official opposition party. You may begin anytime. Please identify yourself for the purposes of Hansard.

Mr. Chris Jaglowitz: Thank you, Madam Chair. Good morning, everyone. My name is Chris Jaglowitz. I'm a lawyer. I'm a partner at Gardiner Miller Arnold, a Toronto law firm that represents and advises several hundred condominium corporations throughout Ontario. We also assist unit owners individually and in groups.

I'm the editor of the Ontario Condo Law Blog. I've practised condominium law almost exclusively for over 12 years. I come to you as the veteran of hundreds of condominium disputes, and from both sides of those disputes. From that perspective I'm glad to offer you my insight into a couple of aspects of Bill 106.

Before I do that, let me quickly recognize the Ministry of Consumer Services for having undertaken a very creative, very comprehensive public engagement process to review the Condominium Act. I was part of it. I sat on two of the working groups: the dispute resolution panel on the condo managers' working group, as well as the expert panel that vetted the recommendations. During that process, I was struck by the breadth and the depth of the experience, the expertise and the perspectives that came to the table from a good cross-section of the condo industry, including unit owners.

Equally impressive was the way in which the ministry staff took the recommendations from that process, as well as the public input that came along, and with that, distilled a balanced, flexible, comprehensive piece of legislation that's before this committee today. I'm really proud to have been part of that process and am quite impressed with the bill that has come from it.

0950

Let me address just a couple of features of the bill that may seem controversial to some but in my view are worth supporting. I will have a couple of constructive suggestions at the end.

First and foremost, the proposal to license and regulate condominium managers is a vitally critical consumer protection tool that is long overdue. It's noteworthy also that the group that has been advocating the longest and the hardest for that provision is the condo managers themselves, and you've heard from them this morning.

You've also heard, and you will hear from others, that many problems in condominiums will often arise from condo managers lacking sufficient knowledge, skill or incentive to do the right thing. Having properly educated, licensed, qualified and regulated condominium managers with a clear and enforceable code of conduct will, in my estimation, go a long way to addressing many of the recurring problems that have been raised and that you will continue to hear about. For that reason, in my view, the proposed Condominium Management Services Act, part of Bill 106, is arguably the largest and the most important development in condominium law since our first condo act in 1967. So I strongly support that feature of Bill 106.

The second one that I think is worth supporting is the creation of the proposed condominium authority. The big question for this committee and that the public has, though, is whether or not it will deliver value when you consider that the cost of operating that entity will be financed by the unit owners through their common expenses. Understandably, the unit owners will want to know that they're getting a bang for their buck, and, of course, this committee will be looking at that closely as well. I'm going to give you three lesser-known but important ways in which I think the condominium authority will deliver that value to unit owners and the public.

First, as a source of accessible and reliable information to unit owners, purchasers, directors and managers, the authority will help avoid many disputes and will lead to quicker and more efficient resolution of many types of condo disputes. Because missing or incorrect information is typically the cause of condo disputes, the value of good information is obvious.

Second, as keeper of the condominium registry, which will be a vital tool in understanding what's out there in terms of how many condominiums, where they are, how old they are, what type they are and how many units they have, that will provide the statistical foundation that will be needed in order to reform the law and regulations, especially over time as things change and as the stock of condominiums ages. That registry will also be a valuable and quick source of information to purchasers and to unit owners.

Third, being focused on condominium issues, the new condominium authority will be uniquely positioned to monitor trends in practice, in technology, in the law and in the way we live. We'll be able to then serve the

condominium public by promoting critical issues and developing trends and best practices among the condominium public.

In addition, through its obligation to report to government and to inform and advise the ministry, the condo authority will have the obligation and the unique opportunity to recommend reform and enactment of new regulations in order to fill gaps that may arise in the legal framework. In this way, the law can develop to meet the needs of Ontarians over time and without the need to come back to Queen's Park to seek amendments to the statute. I note that it has been 17 years since a lawyer from my office has been before legislators to speak to the Condominium Act, in 1998. We hope that with this bill and its ability to make regulations to roll with the punches, it will be many more years before any of us are here before you.

A fourth and perhaps larger way in which the condominium authority will be of value to unit owners is the creation of the proposed Condominium Authority Tribunal, which is intended to decide the most common condo disputes in a quick, accessible and inexpensive way. Just to illustrate how I submit that that will be useful, let me give a scenario that sometimes arises today under the current Condominium Act. Let's say 15% of the unit owners of a condominium corporation submit a requisition for a meeting, presumably to remove the board or something else that's important. The board looks at that requisition, rejects it for an unspecified reason, and declines to call and hold the meeting. The unit owners then have no option other than to call and hold the meeting themselves, which they can do under section 46. The board, in that case, from time to time might run to court seeking an injunction to restrain the holding of that meeting. Let's say the legal costs, whether the injunction is successful or not, costs the condo corporation \$20,000. That must be paid by the condo corporation. As a common expense, that \$20,000 cost is spread amongst all of the unit owners. In case of a 75-unit condominium corporation, the net impact is 267 bucks per unit; that's 20 grand divided by 75. For a 150-unit condo, the impact is closer to \$134 per unit. For a 250-unit condo, it's \$80 per unit. That's the cost of just one injunction undertaken by the board to quash unit owners' rights.

Of course, that's often the tip of the iceberg. Boards might be taking other measures or there might be larger disputes there that lead to a much costlier and more divisive dispute. Unsuccessful rule enforcement and human rights issues can lead to legal costs in that magnitude as well.

The example I just gave, the breakout of the impact per unit, is based on larger condominiums. As I think we have heard, there are several hundred condominium corporations in Ontario with fewer than 10 units and sometimes as few as two or four condominium units, and it's not unheard of for condos like that to engage in incredibly divisive, hugely destructive fights, akin to blood feuds, where legal costs might reach six figures.

Unit owners in those small condos are assessed for tens of thousands of dollars. If the condominium authority, with its included tribunal that can quickly and summarily decide most important types of condo disputes including about the propriety of meeting requisitions and rule enforcement issues, can operate on a levy of \$1 per month per condominium unit, that, I submit, is fantastic value.

In fact, even at \$8 per month per unit—that would be about 100 bucks per year—the total cost of the condominium authority for a unit owner would still be less than most of the legal cost scenarios I just raised. Call it legal expense insurance; call it a hedge against going to court: The levy to finance the condominium authority is a very small price to pay and is, in my respectful submission, an absolute bargain compared to the potentially catastrophic scenarios that may arise when unit owners—and condo corporations—don't have a quick and easy way to get disputes solved quickly and cheaply.

The Chair (Ms. Soo Wong): Mr. Jaglowitz, your time is up.

I'm going to turn to the opposition side to ask a question. Mr. Barrett.

Mr. Toby Barrett: Thank you, Chair, and thank you, Mr. Jaglowitz. My ears perked up when you talked about what you described as a blood feud in some of these smaller units, which is really, really unfortunate and unnecessary.

I have a bit of a case study in my mind. I think of a fairly new series of units in Delhi. It's a small street and there are maybe—I'm not sure—five on one side and five on the other; kind of like row housing. My EA actually bought a condo there, so I hear a lot about it. I guess they own the street. They have to pay to plow the street and they have to pay to get rid of the garbage and they pay municipal taxes as well. This comes up in, certainly, a number of smaller, rural areas where we have these smaller condo units. There's no condo board. I guess if you put every unit holder together you would have a board. The builder seems to look after things. The lawn gets mowed, and it seems to be fairly expensive to mow the lawn. We're talking a rural, small town—a tobacco town. Any comments on that? Is this legislation going to cover these very small units out there on their own?

Mr. Chris Jaglowitz: Incidentally, Mr. Barrett, I grew up in Delhi, Ontario, so I know exactly of what you speak. The short answer is that the condominium authority, by providing information to unit owners, will give them the tools in order to figure out, "Is our condominium corporation working as it should? What do we need to have a board? How are decisions made? What do we do if we don't like the way that things are happening? And if we have a dispute with the condo corporation"—and even if it's that, for instance, things are being run by the developer because the unit owners have not stepped up and have not stepped in and taken control of their condo corporation, the owners will have the opportunity, through the tribunal, to raise their issues, to requisition meetings and to elect a board.

1000

It is vitally important, though, and underlying all of this—unit owners need to shake off the apathy that we see too often in condominium corporations and take charge of their own destiny and take care of their finances and their condo corporation.

Mr. Toby Barrett: I fully believe that even with very, very small groups like that, with a modicum of education, they can look after a lot of this themselves, but many don't have that kind of background.

I am worried about creating a condo authority, yet another agency—I think you talked about it, a dollar a month or something like that per condo; I'm not sure. We've seen this film before and I'm very concerned—an executive director is hired and staff are hired, and the next thing you know, you've got 300 people on the sunshine list. Is that where this is going to head? Or is it going to head in the direction of Tarion, with lack of oversight? I just wanted to get your comments on the future of a condo authority.

Mr. Chris Jaglowitz: Right. One thing, of course, is, like most condo boards, the condo authority will be subject to the scrutiny of unit owners, who, in addition to watching their own condo board, will be watching the condominium authority very closely, I believe. The simple fact is, with the advent of technology—and actually, to run the Condominium Authority Tribunal, it's premised on there being technology and that disputes could be heard using electronic means so we don't have individuals coming to a traditional sort of tribunal in person. People can submit material online and through a cheaper method, and provide quicker answers to more disputes at a lower price and therefore keep the costs low. That, I think, is the most important aspect.

The other one, of course, is in dispensing information using online tools for unit owners to access on their own time that don't actually—once those tools are in place—have much of a cost to keep going. The footprint of the condo authority can actually be quite nimble and quite small, and therefore keep a lower cost.

I do agree, though, that the set-up of the condo authority—it will be very vital to make sure that it's small, that it's efficient and that unit owners get the biggest bang for their buck.

Mr. Toby Barrett: Maybe it's this term "authority," which can turn some people off. It's the "authority," and it's probably going to be located in Toronto on the top floor of a high-rise somewhere. If we had something a little more nimble, as you say, with electronic communication—something that would be dedicated—

The Chair (Ms. Soo Wong): Mr. Barrett, I need to interrupt you because time is of critical essence.

Mr. Toby Barrett: Out of time?

The Chair (Ms. Soo Wong): Yes, out of time.

Mr. Toby Barrett: Okay. Thank you.

The Chair (Ms. Soo Wong): Mr. Jaglowitz, thank you for your presentation. You have until October 29, 2015, at 6 p.m. to do any written submissions to the committee, okay?

Mr. Chris Jaglowitz: I will.

The Chair (Ms. Soo Wong): Thank you very much for your presentation.

Mr. Chris Jaglowitz: Thank you all.

MS. NANCY LEE

The Chair (Ms. Soo Wong): Our last speaker before we recess for the morning is Nancy Lee. Ms. Lee, can you come forward?

I'm not sure if you heard: You have 10 minutes for your presentation, followed by five minutes of questioning. This round of questioning will begin from the third official party. You may begin any time. Please identify yourself for the purpose of Hansard. I believe the Clerk is coming around to see if there are any written submissions that you want to share with the committee.

Ms. Nancy Lee: Sure. Hello, my name is Nancy Lee. I'm a homeowner and past tenant of a few condominiums throughout the GTA. I'm a professional, self-employed with my own business, and a mother with four children.

I want to thank the committee for the opportunity to speak about Bill 106. It's come to my attention that Bill 106 needs to be amended in order to be truly part of a consumer protection bill that it was intended for. Bill 106 needs to be amended to allow for what I call the elephant in the room. I feel that we're dancing around an issue that is unaddressed. The fundamental issue here is that the construction of the condominium must be good on the outset. In other words, if the construction is done with accountability by a developer who does, at the very minimum, construct to the Ontario building code, this will be proactive in reducing issues that will materialize with poor construction practices.

The problem here is that there is no way for the developer to be made accountable. Tarion, the new home warranty provider, is supposed to regulate the developers; however, it does not provide adequate protection for consumers, for condominium owners. There have been many articles written highlighting the problems with Tarion. Please review the three articles that you have—they're all written by lawyer Alan Shanoff recently, within the last year—that publicize this issue. They're dated February 21, March 30 and September 26. Other members of the media have also publicized this issue, with Roseman, Shah, Wallace and Blatchford all writing articles within the last year.

Unfortunately, Tarion has a corporate culture of protecting the very builders it is supposed to regulate. Tarion's builder directory is incomplete and not accurate. This means there is no way for a consumer to judge a builder. Furthermore, its board of directors is loaded with developers. In contrast, the colleges, which govern, say, dentistry or medicine, have on a majority of their boards members of the public. As a result, the public is confident that there is oversight over those health professions.

It is ironic that the public has more protection and accountability when they purchase an iPhone 6 or get a \$100 filling done at their dentist than a new \$1-million home in the GTA.

The public is not confident in the home warranty regulator and also, correspondingly, in the government and in the ministry of consumer affairs, which is supposed to oversee Tarion. I believe Tarion's own numbers show that there are over 50,000 dissatisfied consumers. The exact numbers are unknown because it's a black box.

Secondly, recently PC Party critic Randy Pettapiece conducted a survey assessing whether there was a need for Tarion oversight. That was done and concluded in February 2015. I believe he recommended to the PC caucus that there should be reform of Tarion. Furthermore, since February, I have conducted my own personal survey of experiences of new homebuyers with the warranty provider. From hundreds upon hundreds of future and current homeowners, the main themes that I found that arose were these:

Ignorance: People feel that Tarion is already accountable, with oversight. Young people especially are shocked that it's actually a closed book. There is no freedom of information. In fact, when I spoke to one of your current sitting Liberal MPPs, he had some misunderstandings about the new home warranty provider and asked me questions about it that I said I did not have the answers to, and yet he himself, as an MPP, would not be able to obtain them, even though he could directly go to the ministry of consumer affairs. It's a secret box.

Number two: Consumers experience despair. Many people who have had new home construction problems have been frustrated and given up on Tarion as a true advocate for them. Tarion sides with builders against homeowners. Many people don't know where to turn.

Third, what results is a dismal reputation of the building industry. People have no faith in construction or building. It's a common experience that they feel they're taken advantage of by contractors and that builders are not accountable for their construction.

Now, if these reasons are not enough for you to consider the elephant in the room, also consider public safety, if you're going to consider the public good, if you're considering people other than just condominium owners. For example, there have been issues of falling glass in many of the newly built condos, which is a concern from a public safety issue. For example, in the summer of 2014 and I believe 2015, falling balcony glass in the posh Shangri-La Hotel condo forced the city of Toronto to deem this two-year-old posh building unsafe.

The developer needs to be accountable for proper construction from the beginning. This will avoid issues of special assessments and loss of use of space by condo owners, increased liability for condo owners and safety for both condo owners using the balconies and innocent passersby like you. Does someone's daughter or son need to receive a life-threatening head injury before there is a call for accountability by builders?

Number two: Not only if you want to consider the public safety perspective, the second thing is there is a systemic problem. Recently, I have been volunteering for the federal Liberals in the Don Valley West riding, of which Kathleen Wynne is a constituent. The issue of

builder accountability and warranty provider accountability is not limited to new condominiums and new subdivisions. It involves a pattern of systemic corruption, occurring right in established, high-end neighbourhoods of Toronto's establishment—in Premier Wynne's backyard. Yet, here, the lack of Taronion reform has its deleterious effects on homeowners, which could be you or your children. This is your government's current legacy.

1010

Our family has supported the Liberals for the past three generations. My grandfather came to this country, paying the \$500 head tax in the late 1800s. Under Liberal policies, my family was allowed to thrive; however, as a Liberal, I am distressed to see the current social injustice that is perpetuated on the public as a whole. Young people who have saved for their down payment for a new condo find out that they're told that faulty condo construction results in a huge special assessment fee.

Now you have a chance to amend Bill 106 to include the issue that is unaddressed: the lack of builder and warranty provider accountability and transparency. If the condo is built right from the start, many issues will be minimized later. Condos can avoid initiating class action lawsuits to remediate alleged construction deficiencies. In the GTA, I'm aware that there are currently at least six class action lawsuits active against developers by condo owners.

Condos can avoid having their insurance declined and terminated due to excess liability risk, as determined by condo insurance providers. In fact, one GTA condo has had its building insurance terminated due to potential excess liability. I'm sure there are more to come.

Now, you may be wondering: "Let's just give Taronion a chance." Well, unfortunately, the legislation governing Taronion is outdated. In the 1980s, Monte Kwinter was the then minister in charge of the new home warranty program. He told new homeowners struggling with poor construction at that time—and they were struggling with an unaccountable warranty program. He said, "Builders will police themselves and self-monitor themselves." It has been over 30 years since he made those statements. The fox being in charge of the henhouse doesn't work. The current abysmal state of building in Ontario is the legacy of that.

But there is hope. In the past, in March 2014, Wynne herself proposed a sweeping accountability measure, whereby Ontarians would have a substantial increase in government transparency—a significant step to a tangible change. She stated, "We want to ensure that the people of Ontario have the open, accountable and accessible government that they deserve." Past Ontario Ombudsman André Marin commented, "Ontario is poised to rectify"—

The Chair (Ms. Soo Wong): I'm going to need to interrupt you. I'm going to turn to Ms. Fife to begin this round of questioning.

Ms. Fife.

Ms. Catherine Fife: Thank you, Nancy, for coming in. You're exactly the voice that we actually want to hear at this committee.

As you know, we've shed a light on the Taronion issue for a number of years. You referenced former MPP Rosario Marchese. I thank you for raising it as the elephant in the room, but it's bigger than an elephant, I think, because this bill does not address the oversight of Taronion. We are going to have to do that through amendments. Your voice will lend us some support when we get to the clause-by-clause of this new legislation.

You referenced the lack of accountability and transparency with Taronion. Back in 1986, former Ombudsman Daniel Hill included reform in his mandate. Do you want to talk about what value you see for the fees that you contribute to Taronion, if any?

Ms. Nancy Lee: I think that these are individual situations. Some homeowners may have a positive experience. However, the vast majority of the homeowners that I've surveyed, on hundreds of personal surveys—the consensus is that there is no value for their service. If there was a choice of, maybe, multiple warranty providers, that would give us more accountability. There would be more incentive for Taronion to actually provide customer service, as opposed to side with builders.

In my personal experience, I have felt that Taronion has put obstacles to deny your warranty in every case possible. There's always an excuse. They will change the rules to benefit themselves, and the playing field is not level.

Ms. Catherine Fife: The former Ombudsman referred to Taronion as a "puppet" of home builders. Do you share that perspective? He couldn't look into the full costing and the numbers and finances of Taronion because he doesn't have oversight over that agency.

Ms. Nancy Lee: Well, I agree with you. The only thing we know is that on the board of directors that governs Taronion—I believe there are 15—the majority are builders. Many of the others are corporate lawyers or in member businesses. In terms of true consumer protection, there is no real advocate there that I see; it's sorely lacking in that respect. How can you have eight members of a board of 15 directors being developers? There is obviously a bias there.

Unfortunately, having been self-centred and focusing on builders has led to the legacy of builders not having a good reputation. They've shot themselves in the foot.

Ms. Catherine Fife: Finally, I just want to thank you for bringing the public safety issue to this committee as well. I think that you're right: The smart investment and the due diligence that Taronion needs to be following through on is ensuring that the products and the quality of materials are to a standard where we don't have to close down a building or declare a building unsafe.

I myself lived in one of those buildings where the glass was falling off for almost two years. This is an issue of public safety, and I think it's very important that you brought it to this committee. Thank you for coming in today.

The Chair (Ms. Soo Wong): Ms. Lee, before you leave, if you have a written submission, please submit it to the Clerk by 6 p.m. on October 29.

I'm going to recess the committee. At 2 o'clock we're going to come back.

The committee recessed from 1015 to 1400.

The Chair (Ms. Soo Wong): I'm going to resume the committee and public hearings on Bill 106.

I have just been informed that the Clerk has put on the table for all of us the notification that there will be a report from the Financial Accountability Officer, Mr. LeClair, coming to this committee. That's for your information. Also, staff have prepared background information on Bill 106. I just wanted that brought to your attention. Mr. Fedeli?

Mr. Victor Fedeli: Thank you, Chair. So it says that we're going to get an embargoed copy at 9 o'clock. Will that be electronically?

The Chair (Ms. Soo Wong): That's a good question. Mr. Clerk?

The Clerk of the Committee (Mr. Katch Koch): I can find out.

Mr. Victor Fedeli: Can you, please?

The Chair (Ms. Soo Wong): We'll find out. So look out if it electronically or something coming to us in the near future. I just wanted to bring that to everybody's attention.

MR. REGIS JOGENDRA

The Chair (Ms. Soo Wong): We are beginning our hearing, and I'm going to call the first witness forward: Regis Jogendra.

Mr. Regis Jogendra: Yes, I'm here.

The Chair (Ms. Soo Wong): Can you come forward, sir? Have a seat. Good afternoon.

Mr. Regis Jogendra: Good afternoon.

The Chair (Ms. Soo Wong): As you probably heard when you applied to be a witness today, you have 10 minutes for your presentation, followed by five minutes of questioning by rotation of the committee. This round of questioning will begin from the government side.

You may begin any time. Please identify yourself or any organization you represent for the purpose of Hansard.

Mr. Regis Jogendra: I couldn't quite follow what you said: I'll be in a position to present my matter within 10 minutes, and then questions to be asked from you all to me in that?

The Chair (Ms. Soo Wong): No. You're going to present for 10 minutes, followed by five minutes of questioning. This round of questioning will begin from the government's side. That's what I'm trying to tell you. You have 10 minutes to do your presentation.

Mr. Regis Jogendra: That's fine. I will start right away.

My name is Regis Jogendra. I do not want to overstate myself. I'll just introduce myself as a lawyer from another jurisdiction, called to the bar 47 years ago. The reason I am saying this is I'm interested in the legal aspect of Bill 106. Unfortunately, I must say, I was trying to get a copy of this so that I could study it and make a

considered presentation, but unfortunately, I couldn't get it. I got it only today. To that extent, I am a little handicapped.

I also might say, in passing, that I am a retired judicial officer from the provincial court of Ontario, having been a justice of the peace, and most of my judgments are online. Why do I say this? When I make a statement, I make it very seriously, and I'm concerned about this Condominium Act.

The Condominium Act is, I should say at the outset, outdated. More often than not, the people who are victims or suffer under the provisions of the Condominium Act are the unit owners. The condominium properties are held because of the existence of unit owners. Straightaway I'll refer to section 27 of the old Condominium Act, which says that "a board of directors shall manage the affairs of the corporation." But more often than not, as I found in practice, the board of directors, though elected, surrender or subjugate their rights to the management company. In my view—I do not know whether you'll accept it—the management company is contracted as an employee of the corporation to look into the administrative affairs of the corporation, and not to make decisions and not to govern or carry on the affairs of the corporation. I have found that this surrender or abdication of the authority of the board of directors has resulted in serious consequences, adverse to the condo unit owners.

I think you are all aware that way back—I can give you proof of that—a certain condo chairman named Khan—I'm sorry I had to mention the name—swindled over \$60 million by hypothecating and mortgaging the properties of several condominiums, having doctored bylaws as if they had been approved by the board of directors. He vanished from here, and he's still missing. They have not been able to recover.

The main and important things that affect the unit owners and their rights are that the board of directors is either incompetent, or they do these things perhaps with the connivance of the management company.

I have also seen that when the annual general meeting is held, the proxies are being collected by the management company and the proxies are being scrutinized by the management company. That is wrong, because, in law, I will say, the board of directors is given the authority by the unit owners, perhaps for a period of three years, to manage the affairs of the corporation. That means that delegation of the authority of the owners is vested with the board of directors for three years.

But what happens is that that authority is sub-delegated to the management company, and the management company takes over. This is strictly against the principle of *delegatus non potest delegare*, which means that a power delegated to one authority by the enabling person should not be redelegated to somebody else. This is what is happening. In fact, in the condominium where I am—3050 Ellesmere Road—when the annual general meeting is called, the annual general meeting is controlled by the management company. They verify the

proxies, they reject the proxies and they prevent proxy holders, duly authorized by the owners, from even participating in the meeting.

These are serious matters. I have not been able to look at the various sections of Bill 106, but I would urge the authorities who are in charge of this bill, on first or second reading, that there should be teeth in the bill to prevent these specific matters from happening. One is that the management company should not in any way interfere with the affairs of the corporation. Secondly, although there is provision to say that the persons who are elected to the board of directors might exercise skill, and there should be bona fides and only mala fide acts will be subject to sanction, it's not sufficient to control them. The other alternative is that persons who are seeking positions on boards of directors should have some training or qualification to be capable of managing the affairs of the corporation, because this is trust money. Very often I have found in practice that they present a budget at the annual general meeting and more often than not the budget is exceeded by them without the covering sanction or prior approval of the unit owners. These are serious issues.

From time to time, in order to offset this kind of mismanagement or, shall I say, it is not even wrong to use the word "fraud," the board of directors, I have found—I have heard—give away contracts without proper procedure. A contract should not be given to anybody unless tenders are called. That procedure has not been followed, and they give the contract to anybody whom they choose. The monies of the corporation—the reserve fund and all these things—are spent wastefully in this sense.

1410

There should be a sufficient controlling and supervisory jurisdiction that should be imposed in the tribunal, perhaps, that's being set up to monitor the condominium corporations' board of directors. The important thing is that there should not be any conflict of interest between the board of directors and—

The Vice-Chair (Mr. Peter Z. Milczyn): Mr. Jogendra, that's your 10 minutes, but thank you. There will now be questions. Mr. Ballard has questions.

Mr. Regis Jogendra: I'm prepared to answer any questions. Ten minutes is a very short period to cover an area of 100 pages. I'm sorry to say this—

The Vice-Chair (Mr. Peter Z. Milczyn): Mr. Ballard.

Mr. Regis Jogendra: MPP Wong is not available here?

The Vice-Chair (Mr. Peter Z. Milczyn): Mr. Ballard has questions for you.

Mr. Regis Jogendra: Okay, sure.

Mr. Chris Ballard: That's me. I just wanted to—

Mr. Regis Jogendra: Your name again? Could you announce yourself?

Mr. Chris Ballard: My name is Chris Ballard. I'm an MPP.

Mr. Regis Jogendra: Okay. It's nice to hear your voice, sir.

Mr. Chris Ballard: It's nice to talk to you. Thank you very much for coming forward today and making your presentation. I understand that you only just got the proposed bill, Bill 106, today. Obviously, it's a big bill and it will take some time for you to go through it line by line, clause by clause, and understand it.

I have listened very carefully to your concerns, and I think you'll be relieved to know that we received about 2,200 submissions during this 18-month process. We talked to condominium owners, condominium managers, condominium board members—a wide range of individuals—and received about 2,200 initial submissions. Then there was some follow-up work after the bill was initially proposed. I'm confident that a lot of the things that you're putting forward as concerns are valid concerns; you're not the first condominium owner to bring them forward. I will just touch on a few and then I'll have a question for you.

I think you'll be relieved to hear that there will be greater emphasis on training for the board of directors, that there will be some mandatory training. If you're going to sit on a condominium board, you should at least have a minimum set of skills required to effectively run a board and to know what your responsibilities are as a condominium board member.

One of the things that I hope will bring some comfort is around the area of a requirement for licensing condominium managers. Again, for the managers, there will be a certain amount of education required, there will be licensing and with that will come oversight. If a condominium board is looking to hire a manager, they'll go to the licensing organization to make sure that the individual, in fact, is licensed.

I think that one of the things that makes me a lot more comfortable is a number of steps, a number of pieces, that will lead to more transparency and openness because, like you, we heard from condominium owners who felt, at times, shut out by their own board of directors, unable to participate. There are some measures that I think, as you go through the documents, you'll find address that transparency and that openness for condominium owners.

You touched on something towards the end about condominium boards or condominium managers and how they award contracts. I've heard from both condominium owners and contractors who have experienced that in the past. I think what you'll find, as you read the document, is that there are steps being put in place to make sure the tendering process, the bidding process, is more open and transparent for condominium owners, so that they know how their dollars are being spent because, at the end of the day, those are their dollars.

I just wanted to give you those assurances. I'm looking forward to you rereading the document a little more fully. I know it's a big one and you didn't have much time.

I guess the question I would have, in a very general way, is, how has the existing condominium legislation impacted you personally?

Mr. Regis Jogendra: You mean the 1998 one? The original one?

Mr. Chris Ballard: Exactly. The current one, yes.

Mr. Regis Jogendra: It's lacking teeth. It is outdated and it's not suitable to the situation in which—because we have to learn by trial and error, sir. My important submission is this: the abdication of the authority of the board of directors to the management company. I'm more concerned about that because the management company runs the annual general meeting. It excludes the unit owners and the proxy holders from attending. I know an instance I can tell you about when the manager even excluded proxy holders and unit owners from attending under the threat of calling the police, that they were trespassing on the property. This should not happen.

What I am asking you particularly is that this bill, or the authority that you are going to present—is it going to be a boon to the unit owners? Then you have to confer, impose upon and authorize supervisory and controlling jurisdiction not only over the board of directors but the management company, whom I consider—I hope you agree with me; I don't know whether you are a lawyer, sir—an employee of—

The Vice-Chair (Mr. Peter Z. Milczyn): Thank you, Mr. Jogendra. Your time is up. Thank you very much for your submission this afternoon. If you do wish to make a written submission, please forward it to the Clerk by 6 p.m. on October 29. Thank you, sir.

Mr. Regis Jogendra: If anybody has any questions?

The Vice-Chair (Mr. Peter Z. Milczyn): That's it.

MS. DONNA LACOURSE

The Vice-Chair (Mr. Peter Z. Milczyn): Our next witness is Donna Lacourse. Ms. Lacourse, please come up. You have up to 10 minutes to present and then there will be up to five minutes of questions from members of the official opposition.

Ms. Donna Lacourse: Okay. Thank you, Mr. Chair and committee members. Thank you for letting me speak today.

My name is Donna Lacourse and I am a condo owner. I've worked as a manager in our own high-rise condo complex. I have also been a director or a board officer for about 10 years at MTCC 878.

Interjection.

Ms. Donna Lacourse: I'll wait.

Ms. Catherine Fife: Excuse me, Chair. Can we please have order in the audience?

The Vice-Chair (Mr. Peter Z. Milczyn): Mr. Ballard, either sit down or go outside, please, sir.

Ms. Donna Lacourse: My name is Donna Lacourse and I've been a manager, I'm a condo owner, and I've also been a director for 10 years.

My main topics today are the need for better training for managers and for directors, and to ask for a wider range of options for condo boards to procure a variety of management and office services.

First, I need to get something off my chest. I am not happy with the innumerable organizations who have appointed themselves stakeholders in the Ontario condo landscape. The truth is, it is voting owners who are the consumers; it is the voting owners who are the stakeholders.

It is true that due to ineffective condo boards, supporting industries and associations have achieved a very firm foothold in Ontario condos. To this day, I meet directors who believe that only the management company may access corporation records. I have met directors who believe that they may only accept quotes and advice from ACMO and CCI members. I meet buildings where the managers chair the board meetings, rather than the board president. The managers even chair the AGMs. This is uncommon. I had no idea that this was going on until recently. I meet directors who are afraid to make their own decisions without management head office approval. I've even had some owners say to me—and I'm a senior director—"I'm going to complain to management about you." Here we have clear cases where the tail is wagging the dog. It is quite understandable how this happened, but it is nevertheless unacceptable.

Second, I'm not happy with the name of the act. The word "protecting" is paternalistic and, at best, uncomplimentary. This kind of language is exactly what gives the impression that we owners are like vulnerable kittens left out in the rain. I have been a condo owner for many years and I'm in no need of protection. I hope that this word is simply dropped from the new name.

I also do not like the name "condominium authority." It already sounds like the new authority doesn't want to pick up any phone calls.

1420

Now, what I'm really worried about is excessive influence and control over owners and directors by industry associations, and the industry is very effectively shutting out possible new competition. For example, I am not sure why everybody seems so hung up on using only one management company to manage a huge, complex high-rise building and office or why we uniformly accept one certificate as adequate orientation into the field. This is just not a good business practice. If we want normal business relationships and healthy competition in Ontario condos, we cannot allow a one-horse town. Consumers need choice and so far, in the CMSA, it appears that owners and boards do not have a choice in securing their own type of management. We have to like it or lump it.

I'm not sure if this committee knows that only four continuing education courses at the community college level are required to write ACMO's own RCM exam. I would estimate that a four-course community college certificate probably should not entitle someone to call her job a profession. The ACMO certificate has no pre-requisites. There are no pre-qualifying English, numeracy or computer literacy tests.

I deeply regret having to say what I'm going to say now, but until very, very recently, when our building used ACMO-trained companies, we never once found a

person who could type an error-free letter or who could spell or who would ever use spell-check. We never once found a person who could prepare standardized requests for quotes or who knew how to compare and evaluate contracts or even knew how to calculate the common expenses. I am obviously not talking about the highly qualified ACMO executives who spoke in this room earlier this morning. I'm talking about the day-to-day managers who sit in condo building offices Monday to Friday.

Now some good news: A couple of years ago our building got a divorce from management company monogamy. If we could have found one qualified on-site management company, we probably would have paid more, but we could not find one company that would work on-site using our corporation resources. We ended up getting three mini-companies instead of one big company. I am very sorry to report that our building now pays less for a better system. Our managers use corporation software. Our managers apply to us, the corporation, for passwords and access to files. Our managers do not take corporation records off-site, and this is apparently very uncommon. Usually for big buildings, records are shuttled back and forth between management head office and the worksite. In our building, practices are effectively the reverse of what they are everywhere else.

The definition of management in the CMSA is vague and I will not repeat it here. There will always be a wide range of responsibilities for each manager in each building because their work depends on board and owner preferences and on the physical features of the building. In our building, our managers are not in charge of corporation finances, they have no approval or cheque-signing authority and they certainly do not have advisory, educational or fiduciary duties. Our managers will not require a licence because they are simply not in a position to do the corporation any harm and we're not going to fire them to hire a licence we don't need.

It is therefore easy to see why management companies are so very accustomed to running the show, as you've heard all day today. Single management companies have an incredible grip on condo buildings because when a condo building only uses one company, the management company is almost impossible to replace. However, the playing field evens out perfectly when more than one company is already working in the building. Why would any condo corporation make a commitment to one company when such a decision dramatically restricts their options? This would not be informed consumerism.

I've said it out loud: Current training for condo managers and for condo directors is inadequate. Licensing won't give us qualified managers, although it will check the quality of their character to some degree.

ACMO provides some of the skills that some condo managers require, but a short Internet course offered after the AGM election by the condo authority will not give us qualified directors. It is no surprise that management companies and trade associations have rushed in to fill in the knowledge and responsibility gaps left by directors. Directors often seem to walk right into submissive rela-

tionships with the management company and it appears that this situation will become even more pronounced with the CMSA. If there is just one seminar that new directors really need it is this: Learn exactly what type of professionals you need to call and you call in those engineers, lawyers and accountants yourself and don't use the management company's lawyer or consultants. Then you get a second or a third opinion. There are many qualified contractors and professionals out there who, for whatever reason, do not join the ACMO or CCI roster. It's often a good thing for boards to step outside this industry and get good advice elsewhere for best business practices.

Condo owners and directors quite accurately sense that there are a lot of industry people out there trying to sell services that they don't need or shouldn't buy, yet nobody ever stares down the sacred cow that says that condos only use one management company. In all these years, I think we're probably the only building that puts them in competitive competition. We don't use one lawyer; we don't use one GC—general contractor—or one cleaning company or one landscaper; yet we are expected or perhaps even demanded to use one management company. I can't imagine a better way to back anyone into a corner than doing that.

Here's my biggest personal beef: The condominium authority will apparently want to make the names of condo directors available to the general public. But we directors are volunteers. We are entitled to our privacy, we are frequently physically vulnerable in our own home, and our identities should not be splattered over a provincial website. There is just no legitimate need to distribute our names to unknown persons without our explicit prior consent. This proposed requirement is way over the top, and the practice would not achieve what it purports to achieve. I am very concerned about this. The only people who should know my name are my fellow owners and the buyers on a status certificate.

Here are my final points. It is proposed that new directors attend a seminar. That would be too late. Once new directors find out how much work and worry the job is, they frequently quit. They need to get an idea about the job and how condos work before they even nominate themselves. Instead, all types of owners should avail themselves of unbiased seminars in order to have some idea of what a director's job is. These seminars should not be offered through CCI. I am sorry; there are just too many peddlers in those rooms. There's plenty of time for that later.

The ACMO registered condominium manager certificate is one gesture in the right direction. However, it is only one of the products for sale, and the certificate is not enough to qualify persons who are otherwise unqualified to work as condo managers.

The Vice-Chair (Mr. Peter Z. Milczyn): Ms. Lacourse, that was your 10 minutes.

Ms. Donna Lacourse: Okay; all right.

The Vice-Chair (Mr. Peter Z. Milczyn): We have questions from Mr. Barrett for you, for up to five minutes.

Mr. Toby Barrett: Thank you, Chair. Thank you for the advice to the committee. Here, we also understand that not all members of boards have as much experience as you do, and knowledge. You've made some suggestions around extension education in various forms.

You took issue with the term "condominium authority." There is a role for government. I don't know whether that suggests a gigantic command-and-control approach over time. You have a few more minutes. Could you perhaps paint a picture of—is this condo authority, or whatever it would be called, a good idea in the first place, or do we try and bring along all the separate boards to run this whole business? Is there common ground somewhere?

Ms. Donna Lacourse: Do I think Bill 106 and the condo authority and the licensing—or just condo authority?

Mr. Toby Barrett: Should we have a condo authority?

Ms. Donna Lacourse: I've seen terrible disputes that could have been solved with a phone call to a government office, to clarify.

Mr. Toby Barrett: To which office, sorry?

Ms. Donna Lacourse: I said I've seen terrible disputes, prolonged and even physical, and they could have easily been resolved by a phone call to an impartial, outside authority. I just don't like the word "authority," okay?

Mr. Toby Barrett: How best may we better prevent so many of these disputes and mistakes and mismanagement that's occurring—if you could talk further about that.

Ms. Donna Lacourse: I'm not sure if there are all that many disputes. We all hear about the extreme cases. Somebody said today that there were 700,000 condo units in Ontario. We're still dealing with a tiny percentage, but the extremity, the outrageousness, of these disputes is what is getting in the news. I think the condo authority—I'd call it the condo central office or info centre, except that name is already taken—would be a little more accessible to the often intimidated condo owner. I think the tribunal, once it's under way in about 10 years—first, it's going to cost the condo owners a lot of money. This Bill 106 is going to cost the condos a lot of money, not just the \$1 to \$8 a month. There are all kinds of hidden costs and demands in Bill 106. But do I think that it's worth a good try? Yes. I like the idea of the tribunal. I think it will work.

1430

Mr. Toby Barrett: Do you see any ways we can save condo owners money?

Ms. Donna Lacourse: No, not with this, you can't. Do you want to know why? Do I have enough time to tell you why?

Mr. Toby Barrett: Yes, I do.

Ms. Donna Lacourse: Just as an example, Bill 106 sets up the tribunal, and that's great. I'm a director, and we have a bunch of different managers: If there's a dispute, we're not going to go personally to the tribunal.

We're not going to prepare all the documentation for the tribunal. We're going to send a \$400-an-hour lawyer, right? And that's all going to be charged back to the other unit owners, who aren't bringing the matter to the tribunal. So that's folded into the common expenses.

Another thing is the requirement to send out financial documents etc. every three months to owners. Owners don't read those. They don't do that. In 10 years, I've never had one owner ask what's going on. Not once. I guess it's because they like the building and they feel secure; they know we won't ruin the money. But mail-outs in these large condos are thousands of dollars per send-out in office time, mailing, envelope stuffing, photocopying—there are many hidden costs in this Bill 106. I'm not convinced that the owners are demanding the information that the stakeholders have submitted they want.

Mr. Toby Barrett: Thank you.

The Vice-Chair (Mr. Peter Z. Milczyn): Thank you.

ONTARIO HOME BUILDERS' ASSOCIATION

The Vice-Chair (Mr. Peter Z. Milczyn): Our next deputant or witness is the Ontario Home Builders' Association. Gentlemen, if you could identify yourselves for the record. You have up to 10 minutes to present.

Mr. Stephen Hamilton: My name is Stephen Hamilton.

Mr. Joe Vaccaro: Good afternoon. My name is Joe Vaccaro, and I serve as the CEO of the Ontario Home Builders' Association. Thank you for providing the opportunity to speak on Bill 106, the Protecting Condominium Owners Act.

Before we begin to provide comments on Bill 106, I would like to provide some background on the Ontario Home Builders' Association. The OHBA is the voice of the land development, new housing and professional renovation industries in Ontario. We represent over 4,000 member companies, which are organized in a network of 30 local associations across the province. This includes builders, developers, professional renovators, trade contractors, manufacturers, consultants and suppliers. Our members, proud and passionate about their work and their contribution to Ontario, have built over 700,000 homes in the last 10 years in over 500 communities. As an industry, we employ over 300,000 people, and we contributed over \$45.6 billion to Ontario's economy in 2014.

When the government first began the consultation process on changes to the condo act, we took the approach that the condominium sector needs to continue to be part of the housing supply choice for Ontario's consumers. Therefore, it is important that the government creates a legal framework that ensures that this market can continue into the future while ensuring that condo communities are well managed, with purchasers being fully informed of their obligations under condo ownership before they sign a purchase-of-sale agreement.

From the onset of the consultation process, we stressed the need for the 10-day cooling-off period to be maintained. We view the 10-day cooling-off period as a critical component of consumer protection for purchasers of new condominiums, and we support maintaining section 73 in the proposed act. The 10-day cooling off period means that you can walk into a new condo sales office today, see a unit you like, sign a purchase-of-sale agreement with the builder, and you will have a 10-day period to seek professional advice about the contracts you have signed. This protection is critical for consumers. It provides purchasers of new condominiums the opportunity to speak to a lawyer or a financial institution, to go over the documents and to confirm their decision to purchase that unit.

During the 10-day period, a purchaser can cancel their purchase for whatever reason—whether, after seeking legal advice, they don't agree with the fine print, or they've simply changed their mind. In addition to this, buyers also have the right to cancel a sales agreement within 10 days after any material change happens to the condo project. This provides another opportunity for a condo purchaser to confirm their purchase-of-sale agreement, providing additional confidence in their decision. The 10-day cooling-off period is a significant legal protection in place that consumers can utilize so that they can be assured that they have made a good decision when they move into their condo unit.

Make no mistake; this has been a long-supported position by the industry. As we said in our original submission in February 2013, OHBA continues to believe that the best consumer is a well-informed consumer. Within that spirit, we will continue to look for new ways to educate consumers.

In addition to our support for the 10-day cooling-off period, we also support better disclosure for purchasers of new and resale condominiums. When someone lives in a condominium, they are also living with a new community of owners that have a shared responsibility for the well-being of the building. That is why it is important that they understand current and future obligations that will come from living in a condominium. It is important that consumers are armed with good information and facts when they purchase a condominium. For this reason, we support increased disclosure in this sector, so that consumers understand their contractual obligations and protections when they finally move into their units.

While the first and original purchaser of a condominium benefits from the 10-day cooling-off period, this protection is not available to condo purchasers on the resale side. While the first purchaser has had 10 days to understand the legal arrangements, such as the condominium bylaws, operating budget and reserve fund—each of these items may have financial consequences that may have an impact on their future condo fees—and get out of the agreement, the second, third and fourth purchaser of the condominium is not given the opportunity to work through those documents and may not fully understand what they have agreed to. In a high-pressure

real estate transaction environment, that second purchaser is not given the same opportunity. We view the 10-day cooling-off period as an opportunity for sober second thought.

I wanted to highlight this for the benefit of the committee so that they understand the different legal protections in place that exist between a new condominium purchaser and a resale purchaser. At this moment, this act doesn't really do anything to improve upon that system.

Mr. Stephen Hamilton: Thanks, Joe. As has been noted, more than 1.3 million people live in condominiums across Ontario. This represents 700,000 condo units and 10,000 condo corporations. Due to smart growth, planning, intensification, consumer demand and changes in housing preferences, more than half of all new homes being built in Ontario today are condominiums.

While Ontario already has a strong foundation for condominium purchasers, we recognize that times have changed since the legislation was brought in in 1998. In particular, condo buildings have become increasingly complex. In order to deal with new energy efficiency requirements, developers are building sophisticated homes that utilize cutting-edge technologies such as geothermal energy and solar panels.

With added technology, size and sophistication, additional expertise is required. For this reason, OHBA supports licensing property managers, as established in this legislation. While the developer is responsible for marketing, constructing and meeting the significant building code, engineering and lengthy approvals requirements, after the building is turned over to unit owners, it relies on proper ongoing maintenance so that it will remain in a state of good repair well after the first purchaser took possession of their new home. Property managers have long said that there needs to be a standard in place.

OHBA would remind and emphasize that this is a provincial act and condominiums come in all shapes and sizes across the province, from big cities to small communities. OHBA has been active, working with other stakeholders and the ministry to inform the consultation process. We had a number of our members that participated in many of the working groups to provide their expertise. One of our objectives in this process was to show the ministry that there are important regional considerations when consulting on the act. While most people think of tall towers in Toronto when thinking of the condo sector, condominium units are built in all areas of the province and may include attached townhouses or single detached houses where the road is the only common element. Therefore, this legislation needs to work for all of Ontario, not just Toronto.

While a high-rise condominium corporation may benefit from property management licensing, we do not believe that this would be beneficial or practical for small condo corporations with limited common elements. For instance, in a non-urban context, where only a handful of units share a road or private garbage pickup—in these instances, where snow removal and garbage pickup need

to be arranged, this new licensing requirement may add a new cost without adding any value.

It is unfortunate that the government did not include regional and project-size considerations in the legislation, such as a threshold or recognition of the diversity of the condo housing supply. Condo projects in North Bay are much different than projects you see in Kitchener or Toronto or Barrie. Those considerations should be in the act—they're not in the act—and this will need to be addressed in future regulation.

Mr. Joe Vaccaro: It is important to state that this act is part of the overall regulatory framework that governs new condominiums: starting with the Planning Act; Places to Grow; official plans; zoning bylaws; site plan requirements; the involvement of professional designers, architects and engineers; provincial and municipal regulations for building inspections, including 24 building code-related inspections from foundations to life safety systems; and ultimately ending with an occupancy permit and ongoing warranty obligations. You can see that the new Condominium Act served as part of the larger legislative framework.

1440

The Chair (Ms. Soo Wong): Okay, I'm going to stop you right there. I'm going to turn to Ms. Fife to begin this round of questioning.

Ms. Catherine Fife: Thank you very much for coming in. It's good to see the attention that this bill is actually getting across the province, I think. I know the focus of your presentation didn't necessarily target the issue of Taron, but I think it's an important piece for home builders to weigh in on.

Obviously, Taron has been actually in existence now for almost 40 years. You must acknowledge that there is a lack of accountability and transparency with that association. I wondered if you might go on the record and express some of your positions with regards to support and/or criticism of that institution, because ultimately home builders, the home builders' association, rely on issues of consumer protection. From that perspective I'd like to give you the opportunity to weigh in on Taron.

Mr. Joe Vaccaro: Well, in our submission we did talk about the ongoing warranty obligations that builders do hold. Under the Taron act, there is a responsibility for builders, a warranty coverage that runs from year one to year seven and, depending on the type of warranty obligation, is captured within that.

I would say this: As we stated in our presentation, consumer protection is an important part of the marketplace. It gives people confidence when they purchase a new home. Taron is part of that framework. It's part of what gives consumers that kind of confidence. The legislation is 40 years old. It is a corporation that administers an act of the government. Our role in terms of understanding and our involvement in that discussion around warranty is to provide the industry perspective on what is warrantable and how it should be warrantable, no different than any other regulatory body that finds industry members on their boards; I think of the Ontario Medical

Association and such. Those boards do have the regulated as part of their structure.

Having said that, with a warranty perspective on the issue, it is really part of that ongoing discussion about the appropriate level of consumer protection. How does it work? I would say this: Consumers expect the best service possible. They also expect answers to their questions. You know, the best way to frame this is that Taron does serve in many ways as a complaints department, so individuals who have concerns go to Taron and need to work through that process.

Ms. Catherine Fife: I'm really happy that you mentioned that part about the complaints because that's sort of after the fact, right? I mean, the issue with Taron is that they are supposed to be an agency which protects consumers. There are amazing, ethical, quality-driven home builders in the province of Ontario who really understand the value of building a strong home and what it means to the economy and what it means to families.

Yet, condos are homes for people in Toronto and Waterloo and Kitchener and North Bay, and we have seen example after example of shoddy, poor-quality construction in these condo units. I mean, I lived in a unit myself just here at Bay and Charles, where the glass fell off the building for almost two full years. That compromises the confidence that Ontarians have in home builders, because Taron is clearly not doing its due diligence.

So this is your opportunity to say—this bill is an opportunity to make sure that there are significant reforms in a 40-year-old piece of legislation which has not kept pace with, I think, a changing economy in the province of Ontario.

Mr. Joe Vaccaro: So what I would respond back: In talking about the Condominium Act itself and in capturing the issues within this act, we've provided our thoughts and input to that piece. In regards to the Ontario warranty program act, if and when that piece of legislation comes up for review, we will be engaged in that discussion. In regard to your comment about the falling glass in Toronto, I would say, again, those buildings don't happen by accident. There is a long list of regulatory pieces that come together, from designers to architects to engineers to building officials. When there is a breakdown in the system, Taron is one of the actors involved in ensuring that there is regained confidence in the system, the process by which things get resolved. Whether it's Taron, the Toronto building officials who are also actively involved in those—

Ms. Catherine Fife: But were you not surprised to see a significant—this is the opportunity. I mean, when the government has the opportunity to bring forward a piece of legislation, shouldn't that legislation capture 40 years of concern? Home builders in this province are subject to the regulations and legislations of this government, and we acknowledge that as the opposition parties. But Taron has an obligation to protect consumers, who are the end-use consumers—

The Chair (Ms. Soo Wong): Ms. Fife, your time is up. I'm going to let the gentleman answer. Very short—one sentence.

Ms. Catherine Fife: Thank you. I'd appreciate that.

Mr. Joe Vaccaro: My answer to the question is that our work was to focus on the pieces of the Condominium Act that the government put forward for review. We took that as a very serious opportunity to provide that sort of input. If an opportunity comes forward on other pieces of legislation, we will be back in front of this committee to discuss it again.

Ms. Catherine Fife: Thank you very much.

Mr. Joe Vaccaro: Thank you for your question.

The Chair (Ms. Soo Wong): Thank you, gentlemen. Thank you for being here.

MILLER THOMSON LLP

The Chair (Ms. Soo Wong): The next group coming forward is Miller Thomson. I believe there are three people coming forward. All right. Good afternoon. As you probably heard, the Clerk is going to come around to pick up copies for the committee members. You have 10 minutes for your presentation, followed by five minutes of questioning. This round of questions will be from the government side.

Please identify yourself and your position with Miller Thomson for the purposes of Hansard. You may begin any time.

Mr. Patrick Greco: Certainly. Thank you, Madam Chair, and thank you, ladies and gentlemen of the committee. My name is Patrick Greco. With me are my colleagues Warren Kleiner and Megan Mackey. We are all partners in Miller Thomson LLP's condominium law practice.

Thank you for the opportunity to speak to you today. We will launch into it. If we speak a bit quickly, we apologize. We have handed out our submissions in summary.

The first matter is insurance deductibles. Section 105(2) of the current act permits a corporation to pass a bylaw to extend the circumstances under which a unit holder will be liable to pay a deductible for an insurance claim made by the corporation in any circumstances other than where the corporation caused the incident. Many corporations have such bylaws in place.

Section 105(4) of the act then in turn provides that this liability of the owner is an insurable interest. That is, they can get coverage for it under their unit owner insurance policies. This is no different in principle than what a house owner faces. They're going to pay a deductible whether the damage was caused by their own error or omission, or just by bad luck.

On that topic and for the protection of all owners, it should be made mandatory that people who want to own in these joined communities must carry unit owner insurance, or risk penalties. However, under Bill 106, the ability to shift the liability to owners for those incidents where no one is to blame is compromised. A declarant cannot put such wording in a declaration and corporations cannot pass a bylaw. Instead, an amendment to the declaration requiring the consent of 90% of owners is

needed. This will never happen. Corporations are then left to either pay claims out of pocket or put them through insurance and risk ever-rising deductibles. Some buildings now have flood deductibles of up to \$100,000. Had they allocated that risk among owners and, importantly, among owners' insurance, claims could have been limited, deductibles minimized and the risk of not being able to find insurance eliminated.

Where does this leave the large number of condos who have chosen to manage their risk through pre-existing insurance deductible bylaws? Do they now all have to go back to the drawing board and try to amend their declarations which, again, is a near-impossible task?

Next is repair and maintenance obligations. Bill 106 permits a declaration to obligate a corporation to pay for the costs to remove or restore parts of a unit or personal property of an owner in order to carry out the corporation's maintenance and repair obligations. This leads to at least two troubling examples: A declarant intending to lease commercial units can force the residential owners to shoulder the cost of moving or replacing expensive commercial equipment in the unit; or all owners might have to subsidize an owner who chooses to have gold wallpaper in her unit to the same extent as an owner who chooses to have only standard white paint in her unit. This is patently unfair and, again, can be lodged in a declaration that's near-impossible to change. Instead, it should just be made mandatory that the corporation shall be obliged to restore the unit to the level of the standard unit, and anything above rests with the owner. That is indeed the standard practice in most condos already.

Voting and proxies: Section 52 has been revised to permit voting by "recorded vote" by ballot or proxy. This is simply the wrong wording. A recorded vote is what is done in Parliament where the roll is read and the member says yea or nay. A vote by ballot or proxy is called a secret ballot. This is the standard in all condos and the language of the act should reflect that. To continue to call it a recorded vote is to court confusion.

In our opinion, section 52(4) and any regulations should put more thought into the form of proxies. Right now there's a huge tension between owners who wish to inspect proxies from an election, and owners who rightfully don't want others to see how they voted on that proxy. A proxy should simply have an upper portion appointing the proxy holder as dated and signed by the owner, and a lower portion that's detached at the registration table and deposited into the ballot box, showing the vote.

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Finally, with regard to the proceeds of expropriation, a small bit of drafting could fix section 126. Currently the owners shall share in the proceeds in the same proportions as their common interests. This is confusing and has led to litigation that we have been representative on. It is unclear if that means that the share of proceeds gets paid out directly to owners or the proceeds can simply be deposited into the general operating account or reserve fund, at which point they are notionally shared in

the same balance as common expenses. Why not add some language to the effect of shared by “direct payment to unit owners or by depositing such funds in the corporation’s operating or reserve fund accounts, at the discretion of the board”?

Mr. Warren Kleiner: There must be an obligation for shared facilities agreements to be fair and equitable. Developers often prefer themselves when they’re drafted. Some good changes have been proposed, but those aren’t enough. Too often, the residential components subsidize the commercial. We have situations with commercial garages where the slab is a common element, so the residential corporation pays for its replacement. We have situations with residential corporations subsidizing hotel services and amenities, and the residential condominiums have absolutely no say. Sometimes, it’s one residential corporation subsidizing another through unfair cost contributions.

The threshold to meet to apply to the courts to amend or terminate an agreement under section 112 is simply too high, and the timeline to do it is too short.

The disclosure requirements are meaningless because even if it’s disclosed, it’s not like anyone can really understand what the impact of the agreement will be until the parties are operating under it.

To have to bring the application within 12 months of a turnover meeting is not long enough. You will not know how unfair the agreement is until a development has been in full operation for years. At a minimum, there should be a 24-month period to bring the application.

More importantly, mediation and arbitration pursuant to the act should always be open whenever a shared facilities agreement produces a result that is not fair and equitable. If we’re going to have different entities sharing facilities and services, the basis upon which they are shared and paid for should be fair and equitable. I don’t think anybody can reasonably argue against that.

The Condominium Act is supposed to be consumer protection legislation, and there has been little done to increase consumer protection. Sophisticated buyers of franchises get better protection under the franchises act than unsophisticated buyers of condominiums do. The fact that there are disclosure requirements is irrelevant. The disclosure statements are sometimes over 100 pages with attachments, and lawyers can barely understand them, let alone purchasers. Our firm quoted \$10,000 to a commercial buyer to review this disclosure statement on a mixed-use development project in Toronto.

For many reasons—mostly cost—homebuyers in Toronto especially are forced to buy a condo. It’s unreasonable to expect them to be able to understand the disclosure documents, and if they do, it is not like they’re in a position to negotiate them. They need protection. There must be an obligation of good-faith disclosure.

Certain practices should not be allowed. Although we have provided that units and facilities, like guest suites, can no longer be sold or leased back to the corporation, what about what’s included in the units, such as the HVAC equipment? Where’s the fairness in including a

sentence buried in 100 pages of disclosure stating that the HVAC may not be included in the unit but may be leased to the purchaser? And there’s no abatement in the purchase price. The developer saves money while the purchaser is forced to make lease payments for 10 years—with high interest—on the ensuite equipment, which typically comes with a one-year warranty. The leasing company may or may not be a developer-controlled company, but when the HVAC breaks down and the purchaser has to replace it after three years, he or she is still making seven more years’ worth of lease payments on equipment they no longer have. Where’s the consumer protection? Can you imagine buying a car and at the last minute you are told that you have to pay extra to rent your steering wheel? It’s really almost the same thing.

Let’s be clear: With these changes, shared facilities agreements being fair and equitable, good-faith disclosure requirements and banning the leaseback of ensuite equipment, developers will still build, sell units and make money, but purchasers in Ontario would at least have some measure of protection.

Ms. Megan Mackey: I’m a litigator and I’d like to take you to three specific subsections of the act which, I think, create a problem from a litigation perspective. The first one is the proposed addition to section 84(5). What this permits is, when there is a dispute about additions to common expenses, it’s going to permit a unit owner to pay that money to his lawyer in escrow instead of to the condominium corporation. All the owner is going to have to do to be able to do that is to transfer title to his unit in a non-arm’s-length transaction.

Currently, when there are disputes about additions to common expenses, and there is a sale, the seller and the purchaser deal with it on closing. In our opinion, section 84(5), the escrow provision, should be removed entirely. It is not necessary, and it’s going to cause financial hardship for the rest of the owners in the condominium corporation, who are not involved in the dispute.

I’d also like to talk about amendments to a declaration through a court order. Currently, when we want to amend a declaration, we serve notice on all of the owners who are listed on the corporation’s record. But Bill 106 changes this by adding a requirement that not only do we have to serve everyone on the list, but we have to serve everyone who should be on the list but doesn’t appear there.

That raises two problems for us. First, what does it mean? Does it mean that we need to serve people who didn’t notify the corporation that they’re now owners, which is in breach of the act, or does that mean we need to just notify those people who did notify the corporation but somehow got left off the list? So the definition itself is problematic. But also, how am I ever going to be able to certify to a judge that I have served everyone who is entitled to notice when there’s some provision that I need to serve people who I don’t even know about? In some cases, we’re amending on behalf of the corporation, but in other cases, we’re acting on behalf of unit owners,

who are entitled to rely on the corporation's list of owners.

I have one final point, if there's time.

The Chair (Ms. Soo Wong): Just one sentence.

Ms. Megan Mackey: When a condominium corporation is terminating itself—currently, there is no direction in the act for how owners are to be notified. That means they may need to serve people personally overseas through the Hague Convention. I think that section 128 needs some additions to the service direction.

The Chair (Ms. Soo Wong): I'm going to turn to the government side for questions. Is it Ms. Hoggarth?

Ms. Ann Hoggarth: Thank you very much for your input. It's very important, and I listened intently. I didn't understand it all, but I listened intently.

An important component of this bill is its efforts to improve the management of common elements in condominiums. Do you have any recommendations for how this process could be improved?

Ms. Megan Mackey: Do you mean like the property managers?

Ms. Ann Hoggarth: All areas of the common elements in the condo.

Mr. Patrick Greco: Not particularly, beyond those that we've touched on, which, of course, do go to the administration and the balance between unit and common elements—insurance, of course, being a big one.

Ms. Ann Hoggarth: Okay. I understand that Audrey Loeb, who is a member of your firm, was a member of the deputy minister's advisory group on this bill. With your insight into this process, how do you think public consultations were able to help this bill?

Mr. Warren Kleiner: The only thing that I think I can personally comment on in terms of public consultation is that what we've noticed is that there hasn't really been enough input from purchasers. We find that there has been very little done to really protect purchasers when it comes to things that I've spoken about, such as disclosure and how agreements work down the road that purchasers end up paying for. The groups that were invited just left out this very important segment of the population.

Ms. Megan Mackey: Can I add something? We have clients that come to us that say, "We bought a condo. It's supposed to be a high-end, green building with recycled rain water and a lap pool." The developer builds none of that and gets the corporation registered. What are the repercussions for those purchasers who paid extra for this high-end, green building but, instead, got something that barely meets code?

We think there need to be far more protections at the front end for purchasers. There need to be some repercussions for developers who don't build what they advertised in their marketing materials, which may or may not be listed in the agreements of purchase and sale, which nobody reads until the problems start.

Ms. Ann Hoggarth: I understand how that would be very disturbing to purchasers, and quite expensive as well. Thank you very much for your input.

The Chair (Ms. Soo Wong): All right, I think that's it. Thank you very much for your written submission.

Ms. Megan Mackey: Thank you very much.

EAGLE AUDIT ADVANTAGE INC.

The Chair (Ms. Soo Wong): I believe that the next group coming forward is Eagle Audit Advantage Inc. I believe we have William Stratas—

Interjection.

The Chair (Ms. Soo Wong): Oh, perfect. Okay. As you heard, you have 10 minutes for your presentation, followed by five minutes of questioning. In this turn, questioning will be coming from the official opposition party. You may begin at any time. Please identify yourself for the purpose of Hansard.

Mr. William Stratas: Yes, thank you. William Stratas, managing director at Eagle Audit Advantage Inc.; and Judy Sue, certified fraud examiner, Eagle Audit Advantage Inc.

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At the outset, I'd like to acknowledge the presence of our own personal MPP, the great member from Trinity-Spadina, Han Dong. Thank you for joining. I think you're a guest to the committee.

Mr. Han Dong: Thank you.

Mr. William Stratas: Thank you, sir.

We have a question for the committee. It's a very important question. Which is easier: to steal candy from a baby in a crib or to steal \$150,000 in one year from a condominium corporation? This is not a trick question. I'll answer it for you. The answer is—

The Chair (Ms. Soo Wong): Sir, excuse me, you are to speak directly to the bill.

Mr. William Stratas: It's rhetorical.

The Chair (Ms. Soo Wong): Please stick to the bill.

Mr. William Stratas: We are. The answer is the condo, because a baby has a built-in alarm system. A baby will immediately scream and cry. In condominiums, by contrast, financial crimes are typically silent crimes with vast potential for victimization of the owners. Contractors and property managers can take advantage of the lack of sophistication of typical volunteer directors who sit on condo boards. These persons are easy to dupe and manipulate.

Matters become even more dire if one or more directors is tempted to disregard their fiduciary duties and participate in frauds themselves. The lack of sophistication of volunteer directors and failures of governance oversight are the core vulnerabilities of condominiums to fraud.

Obviously, you cannot legislate higher diligence of volunteer directors. So at the root of the consumer protection theme of the new act, our ministry officials have proposed a very strong licensing and enforcement regime on the management industry. Judy and I are among the strongest supporters of these measures proposed by the ministry, in their entirety and without dilution. We cannot emphasize that enough: without dilution. I will

speak and expand a little more on those matters in a moment.

But first, a little bit of history: Judy and I have perhaps the most unique background story of any persons appearing before you. Seven years ago, we were ordinary condo owners in a downtown building, she with her suite and mine with mine, both of us being original buyers in what is now a 25-year-old building.

Suddenly, by unique circumstance in the spring of 2008, we came together as a team to run for election to our condo's board of directors. Judy will pick up the story from there.

Ms. Judy Sue: Yes. We learned that the board had lost \$142,000 by signing a cheque for a 100% upfront payment to a contractor for delivery of water-efficient toilets. It turned out that the contractor certified the cheque, took the money, delivered nothing and could never be found again.

Our condo board directors were completely in the dark about what happened and seemed incapable of any remedial action. We believed that something deeper was improper, so we decided to take action. We ran as candidates for the board of directors. We were elected by an enormous margin: eight to one, far bigger than Justin Trudeau's victory.

With that mandate, as two new directors on a five-person board, William and I undertook an extremely detailed examination of every single expense transaction from the previous three years. We discovered tens of thousands of dollars of improper expenses beyond the missing \$142,000. Shortly thereafter, we terminated the management company and the following day we launched a lawsuit for \$306,000 in damages for negligence, theft and fraud, as alleged.

The litigation ended in a settlement with full recovery and much more. We served on our board for a total of four years. During that time, we networked our success to other condo buildings. We learned that all condominium corporations are equally vulnerable to financial exploitation and victimization by trusted persons of authority, including managers and sometimes the directors themselves.

In 2013, we applied the success of our own condo's recovery and the skills we had developed during our past services as directors and founded Eagle Audit Advantage. We are Canada's first and only professional consultancy focused on prevention, detection and investigation of frauds in condominiums.

Let me summarize for you the typical kinds of frauds we find in our engagements: phony invoices, phony payroll, duplicate billings, false tendering, cash skimming, embezzlement for personal-use purchases of wide scope, forged documents and kickback payments from contractors.

How is it possible that such a wide scope of financial misconduct could occur in condominiums? Well, number one, complete absence of internal controls in some management companies and two, lack of supervision of managers at the buildings.

In their marketing materials, all management companies claim to have best practices in place. We have found that in some companies, there appear to be absolutely none. This problem appears in all sizes of management companies, including some of the largest ones. When there is an absence of internal controls at a management company, it can permit an astonishing scale of losses by fraud. As you know, the ultimate losers are condominium owners, ultimately putting up to one million condo owners in Ontario at risk.

Mr. William Stratas: Judging by Judy's comments, I am sure you can understand why some persons in this industry despise us and wish that Eagle Audit would simply disappear. Judy and I have the audacity to seek the truth, to ask the hard questions, to look behind doors that no one wants to open and to confront the underbelly of fraud and corruption that permeates some segments of this industry—not all, but some.

We believe that a large swath of the condominium industry, including some boards and even professionals, appears to suffer from a culture of complacency and possibly a willingness to be blind regarding the frauds that occur in condominiums.

Now briefly, if I may, I wanted to add some words of praise regarding the ministry officials. By contrast to that attack we sometimes sustain in the industry, one group that has very much appreciated our efforts with wide-open eyes is the ministry officials who have been managing this condo act reform process since 2012. We have worked closely with them through this time and they have welcomed our contributions with high enthusiasm. Judy and I have nothing but great praise for these ministry officials, some of whom are here today, too numerous to mention by name, of course. We believe they have executed to the highest ideals of the professional public service of our fine province.

Mr. Clerk, if I may ask that you could circulate this to some of the members; thank you, sir, for the interruption.

Now I would like to briefly address some of the points raised in ACMO's legislative brief. I'm going to go through this very quickly. Obviously, we'll give you some backup in writing, okay? But I want to touch on some of the issue sheets they've raised. If you want to skip to your booklet, you may.

Issue 21, page 26: As I said, we advocate that this committee not dilute the provisions for enforcement and inspection proposed in the Condominium Management Services Act. We strenuously urge you to avoid dilution and we respectfully say that some of the proposed ACMO amendments are a strong dilution, for whatever motives; for example, issue 21. There is a need for that background information to come forward from ACMO files, and we would certainly expect that it do so.

Again, I'll skip through quickly.

Issue 22—turn the page: "Notice to the registrar." The notice period of five days is just fine. You know why? A lot of damage can be done in 30 days. Timeliness is important; it's simple; it can be done electronically. No one should complain. Reasons for termination of man-

agers absolutely must be disclosed. The industry recycles its duds. This is a huge problem. The licensing regime needs to know the real story about what's happening in terminations or, shall we say, voluntary departures. Whatever the case, put it on paper, put it in writing, disclose fully and transparently. Transparency was supposed to be one of ACMO's themes.

Issue 23, page 29: Proactive disclosure of these ownership changes at the corporate level are very important to prevent shell games. This was part of the discussions we had with the ministry officials. Shell games in ownership and, most of all, directors, who have fiduciary responsibilities higher than just management—these games cannot be allowed to avoid and evade the accountability that happens when management companies know they're doing the wrong thing.

Issue sheet 24: again, ownership shell games. That's the reason the ministry needs that provision. It would put the ministry in control immediately if a bad situation developed. Otherwise, with some of these dilutions, the ministry will be in catch-up mode. That's not the place you need to be when you need to act quickly to defend owners' interests.

Turn the page, 25, as we close: vital disclosures. These are very vital. And I want to say, trust funds: They mention trust funds twice. A quick example in closing, Madam Chair: They claim, "The real estate industry handles trusts funds, but we don't." You know what they handle? They handle millions and millions of dollars of operating funds on a day-to-day and hour-to-hour basis. They need a high level of oversight because it's even greater exposure. They're handling millions of dollars of operating money. Thank you.

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The Chair (Ms. Soo Wong): I'm going to turn to Mr. Barrett: Do you want to begin the questions?

Mr. Toby Barrett: Thank you to Eagle Audit Advantage. There has been certainly much discussion over the last several years on the impact of fraud on people's insurance premiums. For example, car insurance and auto fraud. Certain measures have been taken to combat that. Part of that did involve this particular ministry, for a while anyway, on tow truck fraud and what was going on here. This is a ministry that does deal with scams and other fraudulent activity like that.

Do you feel the expertise of this ministry is represented in the legislation itself? Are there amendments that should be made to crack down on this somehow? Because we are creating a law here.

Mr. William Stratas: Absolutely, but I do not believe, personally nor professionally, that you need some higher level than what's represented in this act. Ultimately, sir, as you know, many parts of our economy are in a sense self-regulating, self-reporting. You can only have so many condo cops running around.

However, our point is, Member Barrett, that where there are anomalies occurring, where there are questions and suspicions, we would strongly say that the ministry needs to act swiftly, and I mean very quickly. So these

proactive disclosures—none of which are onerous to the industry, contrary to their brief—are necessary to keep the eye of the ministry able to open that file instantly, and not to be in reactionary but proactive mode, if there is a problem detected in any way, from either a whistleblower or a question regarding a complaint or anything that's raised in the industry.

We think the mechanisms are absolutely fine as outlined in this act. It is heavy enforcement, it is potential and it's also, by the way, deterrence, as you can well understand. This is a strong message to these providers that they need to clean up their act now.

Mr. Toby Barrett: When I think of the insurance industry, many of the companies are very large and they have the resources to deal with fraud. They don't seem to do a particularly good job of it in many cases. I just wonder, how can a condo board—where are they going to have the expertise to prevent these kinds of scams and things going on?

Mr. William Stratas: Having sat on our own board, and assisting many corporations right now, let me explain it. Most corporations have blanket directors and officers liability coverage. Many also have fidelity coverage regarding their employees or their contractors. Fidelity insurance is a known product out there.

Most importantly, management companies themselves have fidelity coverage, but you would be shocked at how completely unwilling management companies are to invoke their insurance. Even though it's in their contracts that they provide that fidelity coverage for any loss, they are so reluctant to pull it and to simply indemnify their victimized clients. It's quite an interesting dynamic. They all are fully insured; they just don't want to invoke it for some unimaginable reason. That's their business, but you cannot, in my opinion, put a super level on top of that of some kind of insurance on top of insurance.

Everybody here is fully insured. The question is invoking it; they have to be willing and able to. Do they even get the right advice from their professional advisers? As I mentioned in my comments, the apparent willful blindness of even some professional advisers in this industry: "Oh, you know, don't make that claim. You'll never get your"—what do you mean? You make the claim. It's in your policy; you've paid for it. It is really astonishing how reluctant some of these players are even to invoke that insurance. They're all fully covered, sir. There is no deficiency in the insurance model in this industry from that perspective, as you mentioned.

Mr. Toby Barrett: And beyond insurance or mitigating risk, are these people being caught? Do our enforcement or police have the expertise to deal with this kind of white-collar crime or whatever you want to call it?

Mr. William Stratas: Member Barrett, you have civil recovery and you have criminal. We've been involved in and we are presently involved in cases involving both. However, I underline to the member and to his colleagues: You don't get recovery through the criminal process.

However, this is an interesting question. The criminal process has an importance for public deterrence and public denunciation. It is really interesting when you compare the record of prosecution and pursuit of management company and manager misconduct in the United States, in major jurisdictions like Florida and other places—I follow all this on the blogs, on the Web. They are always prosecuting and charging major crimes. In Canada, nothing. It's very silent about that. People seem somehow not wanting to make the call.

The Chair (Ms. Soo Wong): Mr. Stratas and Ms. Sue, thank you so much for your presentation and for your written submission.

MALVERN CONDOMINIUM PROPERTY MANAGEMENT

The Chair (Ms. Soo Wong): All right, we need to go on to the next witness. The group coming forward is the condominium property management division, Malvern Investment Inc. Good afternoon. Welcome. As you probably heard, you have 10 minutes, Mr. Smith, to come before the committee and speak. This round of questions will begin with the official third party. You may begin any time. Please identify yourself and your position with your management.

Mr. Van Smith: Great, thank you. Good afternoon, members. My name is Van Smith. I am a condominium property management manager. I work currently for Malvern property management. I've been doing so for the past decade, working in this profession, so I have, I guess, kind of a feet-to-the-ground exposure with condominium owners and boards of directors. The lawyers and the accountants that I've seen before me here have also been in discussions with our management companies.

The function and responsibilities of property managers have developed over several years and are shaped by many factors, including the Condominium Act and the proposed bill. Boards of directors' expectations, market competition and municipal regulations also shape that. The overall responsibility in managing building assets require multifaceted knowledge, from condominium law and building construction to accounting, which we've heard. Managing does come with a fiduciary responsibility—even though I have heard that's not correct—and an extremely diverse workload for the managers, even if it's a seasoned manager, because of the complexity of some of these properties.

I'm here today to highlight some common challenges facing our industry when it comes to obtaining goods and services, and provide some solutions or recommendations with the Bill 106 regulations. I'll refer to that shortly. The common challenges include secret profit, fraud, lawsuits against corporations, consumer doubt—which is why many people are here—poor workmanship, and bidding. But that being said, I'd like to share with the standing committee recommendations to enhance and improve the condominium industry as a whole. I do see that the present bill—there are a lot of wonderful features

that we were looking forward to using, but there are some things that we would like to see in the regulations coming forward.

The current act does not speak to the procurement process, and I'm happy to see that the new legislation, Bill 106, does speak to the procurement process for condominiums. The framework for this new requirement can be seen in subsection 39(1), which states, "A corporation shall not enter into a prescribed contract or transaction unless the procurement process and other contracts or arrangements that the corporation entered into in relation to the contract or transaction meet the prescribed requirements."

This is a good step forward. The details for procurement are not yet known at this time. That's what I'd like to address at this period. I would hope to see that the requirements will include categories of contracts that must go through the procurement process, minimum dollar values that will require a bid, termination provisions, and retention of documents. A lot of times we take over corporations, and minutes and contracts and things seem to disappear once we've taken over.

I'll set a bit of the stage for common practices right now for management companies. A standard for bidding for the contract is not currently in place amongst the industry. Each management company will set its own standards for who prepares the scope of work, who is invited to bid, who approves the bid, who prepares the contract itself, and, finally, who actually signs the contract. One very large management firm has a procurement employee, and they are responsible for obtaining quotations and contracts. What's unique about that company is that they actually also bid against themselves, so they bring in bids from outside janitorial companies and they will also bid for those services. That's not common within the industry.

Some other larger companies have created specifications and contract terms to assist the managers in the bidding process, which makes it a fair and equitable bidding system. Those companies, along with several ACMO 2000-certified companies, have created specific policies and guidelines when it comes to procurement. Management companies always differ, as some prepare and sign contracts on behalf of the corporation, where others may not; they will have the corporation sign their contracts directly.

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I'll go back to the industry problems and the abuse. We've heard some of that earlier today. Tendering is only part of the process to obtain goods or services at fair market value. After the tender is completed, the parties will enter into an agreement, the service will be performed and the service provider will be paid in accordance with the agreement. All of these steps may involve a property manager such as myself, a lawyer, the board of directors, the service providers themselves and, sometimes, engineers and/or other consultants.

When the steps are completed properly, everyone should be satisfied. Well, in the real world, that's not

always the case. The following are some examples of problems within our industry from the perspective of property management, service providers, the board of directors that give us feedback, condominium owners, lawyers and auditors.

Fraud: We've heard of that. The definition: "Everyone who, by deceit, falsehood or other fraudulent means, whether or not it is a false pretence within the meaning of this act, defrauds the public or any person, whether ascertained or not, of any property, money or valuable security or any service."

There are several ways by which property managers or boards of directors receive services or money fraudulently. The types of fraud are typically false invoicing, inflated invoicing, duplicate invoicing, kickbacks or even bid-rigging. Some of the examples that I've run across through case law and through the media and in our own practice's experiences are:

—a property manager obtains an inflated invoice for work at a condominium, and once the condo pays the contractor, the contractor in turn gives the manager the inflated amount of money;

—another example: A director informs a contractor that they will be awarded a bid to install new tiles in the lobby if they install new tiles in the director's personal unit at no cost;

—another example: A property manager issues false work to a contractor for condominium work; however, the work is never completed and the manager shares the money with the contractor;

—the contractor tells the property manager that they will compensate them if they win a bid. When the bid is actually won, the contractor pays the manager in cash. That is also the same for directors, who may have compensation as well; and

—a director starts a landscaping company and invoices the corporation for work at a higher rate than usual. The director subcontracts the work to another company and keeps the profit.

These are some examples of fraud.

Another problem within the industry, as a result of that, is consumer confidence. Building gossip and accusations have been made about the managers and the directors receiving kickbacks, whether or not the accusations are true. Consumer confidence is influenced by activities at their building and by news in the media. There have been a number of news releases related to fraudulent management of condominiums reducing consumer confidence. We had the gentleman who was here that was part of a news story.

Lack of records: All too often, a problem at the buildings that I see is new directors replacing old directors. When the new directors start reviewing the documents to understand what agreements are in place and where the money was spent, often they find a lack of records. Quotations, specifications and other documents are often not retained by the corporation or turned over.

Another problem that we have is that a director of a corporation who has, directly or indirectly, an interest in

a contract or transaction to which the corporation is a party or a proposed contract or transaction to which the corporation will be a party shall disclose in writing to the corporation the nature and extent of the interest. Most directors do state this; however, there are lots of examples where a director has had a family member or an interest in a contract and has never disclosed it to the other directors.

Unknown vendors: This is a new one with Google. Quite often, board members go outside of the proper tendering process and obtain quotations and enter into contracts with vendors that the management company is not even aware of. They find these people on Google searches and do their own investigation and hiring. The contracts that the board enters into are not even reviewed by a solicitor and they're often problematic once they get in our hands.

Another problem is lawsuits. Law firms advise that a main problem is their clients—being the condominium corporations—turn to them after a tender has already been issued or a contract has been signed and then they're asked to work out the problems. Failure to have the solicitor look at the agreement puts the corporation in an unfavourable position.

Just a couple of examples that I pulled up just recently, doing searches with cases:

"Condo Property Manager Charged in Fraud Case...."

"Police say 13 condominium corporations in Hamilton and Burlington were defrauded of \$4.1 million"—this is from CHML Hamilton News in 2015.

"Toronto Condo Fraud: Embezzlement, Kickbacks and Bid-Rigging"—there was a four-piece story from Metro News in 2013.

One of the most famous cases was in 2011: "Victims claim condo fraud 'destroyed lives,'" the CBC reported.

The Toronto Star reported that Manzoor Khan—

The Chair (Ms. Soo Wong): Can you wrap up—

Mr. Van Smith: Sorry?

The Chair (Ms. Soo Wong): Can you wrap up, Mr. Smith?

Mr. Van Smith: Yes.

The Chair (Ms. Soo Wong): Time is coming up.

Mr. Van Smith: So basically moving forward—I've highlighted some of the issues—we have some recommendations.

With regard to procurement, the standards should include something like this—

The Chair (Ms. Soo Wong): No, no, no. When you wrap up, it's one sentence.

Mr. Van Smith: Okay. I have included in the handout here some purchasing—

The Chair (Ms. Soo Wong): I'm going to stop you here. I'm going to turn to Ms. Fife. Can you ask the question, please?

Ms. Catherine Fife: Thank you very much, Mr. Smith. Because you ran out of time, I actually do want to hear your recommendations, especially around procurement. But then I do have a question.

Mr. Van Smith: Absolutely. There are only a few points here.

Item 1: Goods or services in excess of \$15,000 require competitive bids, unless the goods or services are required due to an emergency, an emergency being an incident or condition that will adversely affect property or personal safety if immediate action is not taken.

Item 2: Agreements that exceed one year or contain an auto-renewal clause require competitive bids.

Item 3: Purchasing documents shall be retained by the corporation for a period of not less than three years. Purchasing documents include calls for bids, bids, tenders, requests for quotations and requests for proposal.

Ms. Catherine Fife: I'm going to stop you there. What I want to know, because you're representing a condo property management firm, I want to—you've raised a lot of issues around procurement and tendering. Bill 106 does attempt to actually address the educational component of board members. Do you think that some of those conditions will actually address some of the issues that you have raised?

Mr. Van Smith: Absolutely. An educated board is very helpful and assists in the direction the lawyers and the professional management companies want to have them follow.

Ms. Catherine Fife: Okay, so that's good. That's the good part, right?

Mr. Van Smith: Yes. They're not the cheap ones; they're the ones that actually follow the procurement process.

Ms. Catherine Fife: The other side, though, is around the aggressive and criminal, if you will, activities of some agents who are looking to break into the condo industry, right? They're the ones who embezzle, they're the ones who are duplicate invoicing, and they're the ones who participate in the kickbacks. Does Bill 106 address those issues?

Mr. Van Smith: I think that more so the bill doesn't address those particular issues because those are internal controls through those persons or people or management firms that handle and pay for those items. There's nothing in there that states that the person who is approving that invoice is separate from the person who is creating the cheque, separate from the person who is signing that cheque. There is nothing—

Ms. Catherine Fife: So you're concerned about the—

Mr. Van Smith: The control is not there in the end.

Ms. Catherine Fife: Yes. So the conflict of interest is there and it's present, right?

A lot of interest has been focused on this bill, which is really good. It's been a long time coming. But in particular, the issue of Tarion, which you didn't get a chance to address in your presentation—the feedback that I got from people in the Kitchener-Waterloo area, where condos are now popping up everywhere, is that Tarion is the only delegated authority established by the government with the power to create its own regulations without government approval. Bill 106 does not address that. Is that a concern for you?

Mr. Van Smith: We come in after the fact, after the property is built, so we do—

Ms. Catherine Fife: But you deal with the problems, though.

Mr. Van Smith: We do inherit the problems with the development and we do find that there—I call it a false sense of security for Tarion: People are under the impression when they purchase a new property that it will be worry-free, and we have to educate them that that is not the case. We have to educate them to the limits of the warranties that are available.

Ms. Catherine Fife: Do you think you should have to educate consumers that they're not really protected by an agency that is created by the government to protect them?

Mr. Van Smith: As a property manager?

Ms. Catherine Fife: Yes.

Mr. Van Smith: It was spoken to before. The people who are here are the people—the five per centers—who are interested in the education and the information. We do provide a lot of information and there are websites from Tarion. We do have information sessions with new owners. On site, we'll have an office and we'll advise them how to handle their situations. But again, it's only that percentage of the people who are open to listening.

Ms. Catherine Fife: So on the whole, though—I mean, you've raised some issues around the procurement and the tendering process, and the much-needed education of condo board members, but this is only a half measure if you're not going to address the fact that the building and construction of those condo units, which you then inherit as a property manager, becomes an issue for the end-user. This bill ultimately should be about consumer protection. Do you agree?

1530

Mr. Van Smith: I understand where you're coming from with that aspect. Yes, absolutely. We're there to help assist with the condo, and taking over those repair costs afterwards can actually be to the corporation's detriment. Financially, the impact goes on for a number of years.

If you're lobbying against Tarion, absolutely, the management industry would be in your corner—

The Chair (Ms. Soo Wong): Mr. Smith, thank you very much for your presentation.

Ms. Catherine Fife: Thank you very much, Mr. Smith.

ADVOCACY CENTRE FOR TENANTS ONTARIO

The Chair (Ms. Soo Wong): The next group coming before the committee is the Advocacy Centre for Tenants Ontario. The Clerk is coming around with the presentation.

Mr. Hale, welcome. As you heard, you have 10 minutes for your presentation, followed by five minutes of questioning. This round of questioning will be coming from the government side. Can you please begin by

identifying yourself and your position with the advocacy centre?

Mr. Kenneth Hale: Thank you, Madam Chair and members of the committee. My name is Kenneth Hale. I'm the director of advocacy and legal services with the Advocacy Centre for Tenants Ontario. Our organization is known as ACTO. We're a community legal clinic that works for the advancement of human rights and justice in housing for low-income Ontarians through legal advice and representation, law reform, community organizing, training and education.

We really appreciate the opportunity to address your committee on this important legislation. Fortunately, we don't have to address all of the legislation, all the complexities. We have a very specific focus that we think it is important that the committee consider.

Residential condominiums have been the primary source of new rental housing for the last 30 years in Ontario. In the Toronto and Ottawa CMAs alone almost 100,000 condominium units are occupied by tenants—that's about 30% of all the condominium units in those two large urban areas. People from many stages of life and many ranges of income make up this tenant population. How the Condominium Act addresses these tenancies is a vital question. It's a question that's vital not only for the tenants of the units but for the tens of thousands of owners and the condominium corporations that depend on the monthly rent payments of these tenants to keep them financially solvent.

Generally, condominium tenancies are not addressed by the bill. This may be a reflection of a lack of input into the consultation process by all those tenants who live in those condominium communities, but we don't necessarily feel that leaving tenants out of the Condominium Act is entirely bad. The Legislature has entrusted the resolution of disputes between condominium landlord-owners and their tenants to the Landlord and Tenant Board under the authority of the Residential Tenancies Act. The government, working with tenants and landlords, has made significant efforts to make that body and that legislation work together to provide protection and fairness in what is sometimes a difficult environment: the rental housing market, which is under a lot of pressure these days.

The primacy of the Residential Tenancies Act in addressing tenant issues is recognized by the drafters of this bill because they prohibit tenants—tenants are included in the class of people called "occupiers" in this bill—from applying to the new Condominium Authority Tribunal when they have problems with their homes.

However, the bill doesn't completely leave tenants out of the picture. Tenants can still be sued in Superior Court by their landlords, by the condominium corporation and possibly by owner-neighbours, possibly by other people. The court can apply a range of sanctions against these tenants including evicting them from their homes. This brings the Condominium Act into direct conflict with section 37(1) of the Residential Tenancies Act which says, "A tenancy may be terminated only in accordance

with this act"—that is, Residential Tenancies Act. Section 3 of the Residential Tenancies Act says, "If a provision of this act conflicts with a provision of another act, other than the Human Rights Code, the provision of this act applies."

We have a real conflict here, and that may account for the fact that nobody has actually attempted to use this section to evict tenants since the enactment of the Residential Tenancies Act or its predecessor, the Tenant Protection Act, which was proclaimed in 1998. At least, there are no reported cases where we have the court evicting tenants under this power.

The bill proposes to do some tinkering with how this eviction sanction gets applied by the Superior Court—that's section 113(4) of the bill—but it doesn't resolve the fundamental conflict.

Of even greater concern to condominium tenants is the range of powers that the Condominium Authority Tribunal may be given to make orders against them if their owners or the condominium corporations apply to the tribunal. This is in that part of section 2 of the bill which proposes a new section 1.44. There are a number of financial sanctions—mandatory orders that could be issued by the tribunal—and there's a general power under paragraph 7 of 1.44(1) which authorizes "an order directing whatever ... relief the tribunal considers fair in the circumstances."

Given the statutory mandate of the tribunal to protect condominium owners and the proposed appointment process, which we don't find to be completely up to the kind of standards that we would expect of a statutory tribunal, we would expect that an order evicting a tenant from a unit might seem to a member of this tribunal to be fair when they're exercising a power under that section.

We also note that the eviction sanction, which the court is explicitly permitted to exercise, arises from section 117 of the act, which prohibits damaging property or causing injury or illness. The same section prohibits the causing of unreasonable noise and other nuisance, annoyance or disruption yet to be prescribed in regulations. These matters don't go to court, but they go to the tribunal. So, in dealing with cases that involve tenants, the tribunal may well feel justified in granting the same eviction remedy that the court can use under that section, even though the issues addressed by the court would be much more serious.

We think the bill must be amended to ensure that such evictions do not take place. The Condominium Act should ensure that tenants do not face eviction in Superior Court for matters that should be dealt with by the Landlord and Tenant Board, and are not brought before a tribunal that they don't have the right to access, which is not set up to look after their interests. So we ask you to amend the bill, and recommend to the Legislature the following changes:

(1) Repeal section 34(4) of the Condominium Act that permits the Superior Court to terminate a residential lease.

(2) Prohibit condominium owners from applying to the Condominium Authority Tribunal for any orders

against their tenants since the Landlord and Tenant Board provides remedies for any claims these landlords might have through a process which is reasonably accessible to tenants.

(3) Prohibit the tribunal or an arbitrator appointed under the Condominium Act from making any order which would result in the eviction of a tenant. This is the exclusive jurisdiction that the Legislature has granted to the Landlord and Tenant Board.

(4) Require that landlord-owners be notified of any issues which could be the subject of an application to the Superior Court or the tribunal concerning a residential tenant before any such application is made. In our view, these applications should only be for remedies other than eviction.

We think that these changes would preserve the intent of the Legislature as expressed in the Residential Tenancies Act, and that has been supported by the courts: that eviction of residential tenants should only be granted by the Landlord and Tenant Board. This would avoid confusion of jurisdiction, which could result in inconsistent decision-making and unfair evictions. It would still permit condominium corporations to take remedial action against tenants in situations where the landlord-owner refuses to get involved, but it would not allow them to take those tenants' homes away.

We really would like to protect everybody from years of uncertainty and litigation about what are the limits of the tribunal's jurisdiction, where does the Landlord and Tenant Board start, and where does the tribunal stop. We would really like you to send a clear signal to the Landlord and Tenant Board that it's their duty to fairly resolve any disputes between landlords and tenants, including those who own and rent in condominiums.

Those are our concerns, and I appreciate the opportunity to be able to express them to you.

The Chair (Ms. Soo Wong): All right. I'm going to turn to the government side. Mr. Dong?

Mr. Han Dong: I want to thank Mr. Hale for coming to this committee and presenting your point of view. My name is Han Dong. I represent the riding of Trinity-Spadina. As you know, in my riding there are many condominium owners, and a fair amount of tenants, as well—perhaps higher than the provincial average.

Mr. Kenneth Hale: Our office is located in your riding, and condominiums are springing up all around our office, so that I can barely see the sun anymore.

1540

Mr. Han Dong: I have very little to do with that, but I am elected to represent the views of constituents in my riding. The points that you brought forward are very interesting, and I'm sure the ministry staff who are here will be looking into it.

When I first heard about the consultation on this act and the draft, I was quite excited about the tribunal because for many years, we've talked about having an authority looking after all of these disputes amongst the condo boards and owners. Finally, the government is doing something about it.

I want to refocus on the quality of information. Have you heard any concerns from tenants talking about the quality of information that they've received and gathered from the board or the management?

Mr. Kenneth Hale: I wouldn't say that that is a primary concern of tenants. Tenants often get very little information from their landlords. There's a statutory requirement that they be given notice of some of the basic provisions of what their rights are. It's very rare that even that ever happens, let alone any details about any kind of operations in the building.

I think that the tenants are concerned with knowing what they're getting for their money and making sure that they're actually getting what they're supposed to be getting for their money.

Mr. Han Dong: Do you see that an ineffective board management can indirectly impact the tenants?

Mr. Kenneth Hale: Certainly, yes. But, unfortunately, the tenants don't really have any input into who gets onto that board.

Mr. Han Dong: Well, they can let their landlord know.

Mr. Kenneth Hale: Yes.

Mr. Han Dong: Do you have any suggestions on what might help to strengthen the management of the condos?

Mr. Kenneth Hale: I must say, it isn't something that I've given a lot of thought to. I think that there are some sincere efforts here to strengthen the management of condominiums. Will they work? Will the licensing provisions work? Will the oversight? I don't know. I hope they do, because the problems that owners suffer when there is bad management and unfair relations with the builders filter down to the relations that the tenants have within their community, and that's not good.

Mr. Han Dong: That's great. Thank you very much.

The Chair (Ms. Soo Wong): Thank you, Mr. Hale. Thank you for your written submission as well.

MR. CHARLES SMEDMOR

MR. RONALD SMITH

The Chair (Ms. Soo Wong): The next group coming before us is Ronald Smith and Charles Smedmor. Good afternoon, gentlemen. Welcome. As you've probably heard, you have 10 minutes for your presentation, followed by five minutes of questioning. This round of questioning will be coming from the official opposition party. You may begin at any time. When you begin, please identify yourself and any organization that you're representing for the purpose of Hansard.

Mr. Charles Smedmor: Thank you, Madam Chair. My name is Charles Smedmor. My colleague on my right is Mr. Ron Smith. We're both chartered professional accountants. We are specialists in forensic and investigative accounting. We are here independently; we do not represent any client or any organization.

The title of our presentation is Bill 106: From a Fraud Prevention Best Practices Perspective.

The Chair (Ms. Soo Wong): The Clerk is coming around with the copies.

Mr. Charles Smedmor: I'm going to speak to it, but I'm also going to speak to some of the underlying points. Effectively, we are in a position where we have three recommendations that we would like to suggest to this committee.

The first one concerns reserve funds. Reserve funds: We suggest there may be an opportunity to use a model that's already being used by the Housing Services Corp., so that the funds can be with a higher level of protection for compliance with the legislation and a higher level of protection for ensuring that all withdrawals are, indeed, fully authorized by the condominium corporation.

The second point we're going to speak about is enhanced auditor management reporting. The auditors of a condominium corporation provide financial statements that present fairly. However, a bigger issue is whether the operations and management of the condominium corporation are being run smoothly and professionally. We believe there's an opportunity for the condominium authority to introduce procedures that would have enhanced reporting by the auditors.

The third thing we want to speak about is the directors and officers of the condominium corporations, because they are effectively the directing minds of these organizations that are, in a way, a fourth level of government. What we're proposing is that there should be a code of ethics for the directors and officers of condominium corporations in the same way that Bill 106 speaks to the condominium managers and the principal condominium managers having to complete a code of ethics.

I'm going to go from that overview to some comments with respect to the idea of reserve fund centralization. First of all, I want to say: It would be optional. If a condominium corporation wants to continue using its current processes and procedures, that's wonderful. But if they're risk-averse or if they feel that it may be helpful to them, then in the same way that the Housing Services Corp. does it for public housing providers, I believe the condominium authority should offer this option to condominium corporations, the process being that the funds are received, are invested through a reputable company—in the case of housing services, it's an operation of the Royal Bank. Then, when there's a withdrawal, the withdrawal is vetted that (a) it complies with the applicable regulations, and (b) withdrawal is fully approved by the board, because right now, for many boards, the only thing that holds funds from being moved out of the reserve fund are two signatures on a cheque. How many times might there be one cheque already with one signature on it because someone is out of town on vacation? So what you want to do is protect this asset, which is a very important asset.

I'm going to move on from that—because I can answer any questions—to the second topic, which is, effectively, enhanced auditor reporting. I'm a chartered accountant. I've been a chartered accountant since 1986. My colleague Ron Smith has been a chartered accountant

since 1977. We know that the really important information is not always in the financial statements; the devil is in the details as to how well a corporation is run. We believe that while auditors often provide an optional management letter commenting on the operations, it can be helpful for the condominium authority to develop a format that will then be very clear to the users of the financial statements, both the directors and the unit holders, for understanding the operations as they have been. Is cash management strong or weak? Does it need to be improved? How so? And so on. The bottom line: Again, this would be optional. It's not going to be mandated, but if the condominium authority develops the format and encourages condominium corporations and auditors to consider it, then it can be assessed as to how well it's doing.

The next topic I want to speak about is the code of ethics and education for condominium directors and officers. First of all, I'm very glad to see that the condominium authority will be licensing and using a code of ethics for the principal condominium managers and for the condominium managers. However, I was surprised, when I read through the proposed legislation, the bill, to see that condominium directors and officers were not going to be similarly asked to sign a code of ethics and to comply with one. It might be implicit and it might be something that the Canadian Condominium Institute—and both Ron and I are members of the CCI—have in their recommendations, but I believe that to provide protection, it should be in the legislation that condominium directors and officers are required to sign a condominium code of ethics.

The other thing is that if you have them signing a document like that, it can also say what the consequences of not complying are. You can have the process clearly spelled out as to how a condominium director or officer who had not followed the rules can be dealt with.

The other factor to consider here is that the condominium director has a lot of responsibility. I, as a chartered accountant, am amazed at how many people—I find, and Ron is of the same opinion—do not understand what exactly is a crime in terms of white-collar crime in Canada. A secret commission is in section 426 of the Criminal Code, but most people think that if someone gives you two airline tickets to Florida in return for getting them the gardening contract, that's just a gift. No, it isn't. To even seek or to receive it is a crime.

1550

I believe that we should have, in the education for the condominium directors, a fair dose of explaining the crimes that they have to watch for, the white-collar crimes that can create problems for their condominium corporation and for them personally.

I realize that I have limited time. I'd like to be able to just summarize that we have three points to consider, and they are, first of all, that with respect to the reserve funds, I believe that there should be an opportunity to have them centralized, to have them carefully invested, and to have withdrawals carefully vetted for (a) compliance with the

applicable regulations, and (b) that the documentation supporting the withdrawal is full and complete. The last thing we want to do is have a headline in a local newspaper saying “\$10 Million Gone from Condominium Corporation 123’s Reserve Fund.” All that holds it back right now in many is basically two signatures.

Second thing: enhanced auditor communication, because if you have improved communication from the auditors on the issues of operations, then the operations can be improved.

The final point is that for the officers and directors, I believe that they should be completing a code of ethics which also holds them responsible for their actions and also encourages them to become fully educated and understanding of the fraud and malfeasance that can occur in this world if you’re not looking for it.

We want to thank you, and we’re glad to answer any questions now.

The Chair (Ms. Soo Wong): I’m going to turn to Mr. Fedeli to begin the questioning.

Mr. Victor Fedeli: Thank you for your presentation. Your final three points—your first one talked about reserve funds and broke it into three points. I missed the middle one. You talked about centralizing it; you talked about the last one being withdrawals being monitored. What was the middle one?

Mr. Charles Smedmor: The middle one, Mr. Fedeli, is that the funds would be wisely invested. In fact, I have an excerpt from the housing services’ statements at the end of this presentation that shows on page 15, note 7, that \$480 million in this case is being invested by Royal Bank Global Asset Management. So it’s not civil servants who are investing it; it’s basically Bay Street professionals.

Mr. Victor Fedeli: As you know, we’re having deputations today and next week, and then we begin to do amendments. Are there specific amendments that you would look to have brought forward?

Mr. Charles Smedmor: We have drafted them but we haven’t provided them yet. I would be pleased to send the specific amendments to Madam Chair, Ms. Wong, for consideration. Actually, I would send them to Mr. Koch, I believe.

The Chair (Ms. Soo Wong): And you have until October 29, 6 p.m., to submit it to the Clerk.

Mr. Charles Smedmor: All right. We will provide those in more complete detail.

Mr. Victor Fedeli: We’ve only got a couple of minutes, and I know Mr. Barrett wants to have one question as well. I want to just ask you—I live up in North Bay.

Mr. Charles Smedmor: Yes, indeed.

Mr. Victor Fedeli: We’ve heard from a lot of deputants and we’ve heard from people in the Legislature talking about the regional differences or a project’s size. Should all of the guidelines in Bill 106 apply to all, or should there be consideration due to the regionality or the size of the project, if you have a quick answer on that before Mr. Barrett’s question?

Mr. Charles Smedmor: Ron?

Mr. Ronald Smith: With some aspects, it should be size-sensitive. For example, when we talk about the reserve funds, it might be that the central authority kicks in for any disbursements over \$100,000 for a certain-sized condominium corporation. For one where there are only 10 units, the cut-off point might be \$5,000. So the size will make a difference. I don’t know if regionality will make a difference.

I just wanted to add one point of reinforcement. I lived in a house for 36 years. I moved into a condo two years ago. For the first year, I saw what happened; I wasn’t happy. Baptism by fire: I’m on the board. I’m the treasurer.

Mr. Victor Fedeli: You and my mother.

Mr. Ronald Smith: And to me, if the board was strong—and how do you get a strong board, because they’re inheriting things from the board before them, and if they’re not trained and if they don’t have the business acumen, they’re just repeating the same sins of the past? Property managers can just run roughshod over a board, and a board is left with being a rubberstamp. So the board, being the gatekeepers, if they knew what really is expected of them, then I think they would rise to the task, because the board members are good people who are volunteering their time—

The Chair (Ms. Soo Wong): Two minutes: Mr. Barrett.

Mr. Toby Barrett: You introduced the concept of reserve fund centralization to, I assume, mitigate risk and provide centralized services advice on investment or management. Is this done anywhere else? Would this follow, say, the principles of—I think of insurance companies. The insurance companies have an insurance company to insure the insurance companies: the principle of reinsurance. Would that principle apply here or are we talking something different?

Mr. Charles Smedmor: It’s not quite the same thing. Reinsurance, which of course keeps places like Bermuda very busy, is where the risk is transferred, where basically if I’ve insured your car and insured everyone’s car in this room, I will take perhaps half of the third-party liability risk and insure it with an offshore insurer in Bermuda. What we’re looking at here is basically—as I have on pages 14 and 15—a pooling of reserve funds.

Those condominium corporations that want to do it—I wouldn’t want to see it as a mandatory item. Let’s do it just if a condominium corporation has had a problem in the past, they might be risk-averse, they can put the funds in there, they will be invested wisely by an organization like the Royal Bank, Dominion Securities or whoever’s selected, and they’ll look to get the best yield. There would be a cost for getting withdrawals processed, because if you’ve got someone vetting the documentation, there’s going to be a fee, but that fee can be small. Some people remember that old saying of “Some people know the cost of everything and the value of nothing.” I’d rather have a fee paid for someone making sure that that withdrawal for my condominium corporation is fully vetted, approved for compliance with the regulations, and also for the signatures and so on.

The Chair (Ms. Soo Wong): Gentlemen, thank you so much for your presentation. I look forward to additional submissions. Your time is up. Thank you for your presentation and submission today.

Mr. Charles Smedmor: Thank you.

The Chair (Ms. Soo Wong): Just a reminder: You have until October 29 at 6 p.m.

CONDO INFORMATION CENTRE

The Chair (Ms. Soo Wong): The next group coming before our committee is the Condo Information Centre: Anne-Marie Ambert. Welcome. Good afternoon. Ms. Ambert, as you heard, you have 10 minutes for your presentation followed by five minutes of questioning. This round of questioning will begin with Ms. Fife from the third party.

Ms. Anne-Marie Ambert: Thank you very much, Madam Chair. My name is Anne-Marie Ambert. I am a condo owner, a former president of the condo board, and I was also the only owner on the government's expert panel.

In the past six years, since my website, which is meant to help condo owners, was launched, I have received over 3,700 letters, largely from desperate condo owners, which reflect some of the realities in about 40% of all the condos in Ontario.

The contents of these letters have guided the suggestions that I will have today. I have decided to focus on a few key articles in the new bill that will result in further oppression of owners. I should say that, overall, I am very much in favour of the act. I also worked very closely with the very competent staff that you have.

First, one should point out there are many articles in this act that are wide open, and their contents will be obvious only long after legislation is passed; that is, when the regulations are written. Personally, I find that a bit of a problem because there's not enough that is upfront for some of the articles.

1600

Article 46 on requisitioned meetings has taken away from owners the right they had to carry out requisitioned meetings when a board refuses to do so for no good reason. Instead, the only recourse owners have is to go to court now. This is unfair because few owners can afford this and the condo lawyer will likely stand with the board, at owners' added expenses. Until the condo tribunal is in effect, which may take up to three years, owners therefore have no easy and inexpensive recourse. The removal of this current right is rather oppressive, in my opinion, to owners, and it goes against the title of this act, which, by the way, I do like. I suggest that the board's non-compliance section that was taken out—it's just about one line—should be reinstated until the condo tribunal comes into action.

The issue of a vote by a show of hands that we see in articles such as 52(1)(a) and 56(1)(c.1) should be restricted by the regulations. Important issues, such as voting for directors, removal of directors, and by-laws

and rules should be voted only by secret ballot. Otherwise, owners who vote against a board's wishes run the risk of being maltreated and oppressed. Vindictiveness is unfortunately very common among condo directors and managers.

I want to return to the issue of shared facilities that is now discussed in a short article 21.1, which has replaced article 59. I just want to point out, because I'm not a legal expert, that this new article makes no mention of the rights of owners to vote. This should be retained when the regs are written. As this article 21.1 is written, there is no mention of condo owners' rights. All we have here is faith that this will occur in the regulations.

Regarding the status certificate, the new bill should improve the situation but, instead, it left the status quo in this respect. Article 76(5) gives no penalty for managers who refuse to issue a status certificate, for which, by the way, owners have to pay over \$100 plus HST. I have had dozens of letters from desperate owners who lost a sale because a manager refused to give a status certificate or did not respond. Some of these owners ended up selling the following season, the next year, while others got another offer and had to accept but at a lower price.

Also, status certificates should let a potential purchaser know the percentage of owner-occupied units compared to units that are rented out. I want to say here that the term "owner-occupied," which is in the current act, is a fairer concept, in my opinion, as an owner than the new concept of non-leased suites which is in this act and has been introduced, because non-leased suites could mean that they are owned by a builder who could have a block in a condo and vote, for instance, or by an investor who never lives there.

I want to point out that financial matters in condos account for over half of all the letters that I have received. This is, in other words, the number one problem. There is a great abuse of surplus monies. Article 84(2) is regularly abused in the sense that many condos have, in effect, a third budget. In addition to the yearly common expenses and also a budget for the reserve fund, they have what they call an "emergency" fund or a fund by any other name. This is often where the surplus goes, and this third budget is not regulated by the act. As a result, boards use it as a slush fund for their pet projects that may run into the tens of thousands of dollars without having to ask owners' permission. A suggestion: In addition to what is already in the act and is very good about the surplus would be to allow only very small surpluses to remain at the end of the year of maybe \$25,000 to \$45,000, depending on the size, that remain with the common expenses budget.

A very big issue is the lack of approval by owners of substantial modification—which is article 97(6)(a)(i)—which will not so much change with this act. As currently written, it states that any modification that a board wants to make does not need owners' approval if the planned expenditure is lower than 10% of the annual common expenses budget. When condos have annual budgets over \$2 million—as more and more will have, and do have—

this means that a board can, in effect, spend up to \$199,000 of owners' monies without these owners' approval. This is a lot of money, and this is being spent on modifications—what I call frills; I'm not sure if it's English or French. Hence, these are not even necessary replacements or repairs, just luxuries.

My suggestion: The expenditures for modification should be lower than 10% or lower than \$75,000, whichever is the lesser amount, without owners' approval; although, frankly, they should be informed. Any board who wishes to spend more than that for modifications should seek owners' permission with the required 66% vote in a duly called meeting or at the AGM.

This lack of oversight on the part of Bill 106 will simply keep the door open for owner exploitation at the financial level, for boards and managers to feel flush with money, which is not theirs, by the way, and for fraud and bid-rigging—we have heard a lot about that, and I've received many letters about that; I have heard from contractors who do it, by the way, and others who don't—which are rampant in the contracting industries. Indeed, contractors are attracted to condos that can spend a great deal of money without having to ask owners' permission. When we were talking about what to do about that—just don't flash the money about. The bar is way too high. My question is: Will Bill 106 protect owners against financial manipulation or will it protect contractors?

While committee members may not agree with the proposed numbers, I do hope that they will still find a way to better regulate this situation. Condo owners, Statistics Canada has shown, have a lower income, on average, than other types of homeowners, yet they have less control over their monies than other owners in detached or semi-detached homes. In fact, we just don't have any control over our money.

While I am asking that Bill 106 better protect condo owners against abuse by their boards, managers and even condo—

The Chair (Ms. Soo Wong): Ms. Ambert, could you please wrap it up?

Ms. Anne-Marie Ambert: I would like that good, diligent boards also be protected by the act, that is, those boards that are trying to raise fees in order to have a reserve fund. I will leave it there. Maybe I can answer that in a question.

The Chair (Ms. Soo Wong): Thank you. Ms. Fife, do you want to begin the questioning?

Ms. Catherine Fife: Thank you very much, Anne-Marie. The amount of money in reserve funds is, actually, quite shocking.

Ms. Anne-Marie Ambert: Yes, the amount of money in the reserve fund—it is needed. I was not talking about reserve funds necessarily, but any money that exists which is used to simply embellish the condo—

Ms. Catherine Fife: The slush funds that you're talking about.

Ms. Anne-Marie Ambert: Yes, it's money that is there. It's a surplus.

Ms. Catherine Fife: What do boards—

Ms. Anne-Marie Ambert: The reserve fund, as you know, depends on a study made every three years—a small one, and the next three years, a bigger one. They have to be adequate. Nowadays, a good condo that has over 100 suites should have at least \$1 million in reserve funds, unless they have made more expenditures. For things that are simply modifications which don't fit into the reserve fund, still, boards have very big leeway because the bar is too high in terms of the money that is allowed. This 10% keeps increasing.

Ms. Catherine Fife: I think you made the point that a board could spend up to almost \$200,000 without owners' approval. That's a huge amount of money.

Ms. Anne-Marie Ambert: Yes, it's a huge amount of money.

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Ms. Catherine Fife: So this is a modification that would need to be put in place to protect—

Ms. Anne-Marie Ambert: Yes, there is a place where it is, actually, and it's—

Ms. Catherine Fife: I just want to talk about this vote by a show of hands, because some of us have never been in one of these meetings with condo owners. You're describing a culture of fear here.

Ms. Anne-Marie Ambert: You would be surprised. There is a culture of fear in condos. A good condo, for the situations that I explained, will generally ask for a secret ballot. One owner can require that there be a secret ballot, and then they have to do it, but owners don't know that this is in the condo act.

Basically, if they ask for a show of hands after a motion to terminate the meeting, a show of hands is fine for these things. When it's the end of nominations, that's fine; you can have a show of hands. But when it comes to other issues, it happens in some condos, and then after that, even people who requisition meetings are sometimes punished, there are a few services—and they receive threatening letters from the condo lawyers.

Ms. Catherine Fife: It's interesting, though, Anne-Marie, that you've raised this issue, because in prior delegations, the issue of proxy voting has also come up.

Ms. Anne-Marie Ambert: Yes, it's a big issue.

Ms. Catherine Fife: Do you want to say something about proxy voting?

Ms. Anne-Marie Ambert: What they said is quite true. When I was a president, I often collected proxies, not for votes but for a quorum, because it's very expensive to mount an AGM meeting, and nobody shows up. So I collected proxies for a quorum, but not for a vote.

It is true that boards in general, and managers, do collect proxies and see that, as I did, as our duty. But there is a difference between that and putting your name and filling out those proxies for owners. I know that in some condos you have a president, for instance, who has been their president for about 20 years and he aged as gracefully as possible with the rest of his poor elderly owners; he goes to each one of these and he threatens them. He tells them, "If you don't vote for me on your proxy, you won't have the services that I've been giving

to you. You know how good we are.” And they’re terrified. I have sons and daughters of seniors who write to me.

Ms. Catherine Fife: I know that time is short, but I just want to say that in your seventh point you do describe another culture, or a tension between condo boards and contractors who see them as very vulnerable, if you will. Bill 106 is meant to actually educate some of those boards, but do you think that this will address some of the fraud, the manipulation, the financial—

Ms. Anne-Marie Ambert: I think that some of the suggestions that were made were quite good, but I think one point that we need to emphasize in the education of board members is ethics. If they have ethics and they realize that they are not there for their little clique, but they are there for other owners—if you can sink that into their heads, then they will become conscientious and more knowledgeable.

Ms. Catherine Fife: I think that this came through previously, where a board owner should not be accepting two flights to Florida for a gardening contract.

Ms. Anne-Marie Ambert: Oh, no, no.

Ms. Catherine Fife: And this happens?

Ms. Anne-Marie Ambert: Yes; worse happens. But fraud is more often the purview of managers and other persons—and bid-rigging, yes.

Ms. Catherine Fife: That’s an important point. Thank you.

The Chair (Ms. Soo Wong): I’m going to stop you. Thank you very much, Dr. Ambert. Thank you for being here and for your written submission.

Ms. Anne-Marie Ambert: Thank you very much.

MR. CALVIN TARR

The Chair (Ms. Soo Wong): The next witness before us is Calvin Tarr. While the witness is coming forward, I just want to remind members that there might be a vote upstairs, so I’m watching. I just wanted everybody to know that.

All right, Mr. Tarr, you have 10 minutes for your presentation, followed by five minutes of questioning, and this round of questioning is coming from the government side. When you begin, can you please identify yourself and whatever organization you represent? Thank you.

Mr. Calvin Tarr: My name is Calvin Tarr. I’m here as an independent condominium owner. The good work that Anne-Marie does with Condo Information Centre and also the good work that is done by Holland Marshall with condomadness.info—up until I had read their websites, I really was living on an island, thinking I was the only person who had experienced some of the problems that I have in a condominium. They have been since 2009. My wife and I bought a condominium, one that, up until five months ago, we regularly paid maintenance payments on, taxes and such, but we weren’t able to live in it, to rent it or to sell it because of the control that the condominium had over us.

My problems started when I spoke up for a contract worker in the condominium who expressed to me they

were not being paid. What I did is I saw where they were having—they presented an invoice to the condominium corporation, and what they would get back was a cheque for near half the amount, but it would give all of the invoice numbers that, in fact, added up to near double the amount. So you would look at the pay stub and you would see that this is a cheque to pay invoice 1 and invoice 2; the amount should be, let’s say, \$1,900, but the cheque would be in the amount of \$1,000. I thought I should bring this to the attention of the management. I did, and when I didn’t get any service there, I took it to the auditor, and I didn’t get any satisfaction there.

That’s been my experience in condominiums. It went from getting involved with the condominium auditor and recognizing that he wasn’t there to serve the interests of myself as a condominium owner, or a contractor. Next, I brought concerns around building code violations to the property management and also to the board, to find out that there was no one there, either, to take interest in making sure that the things that were concerning me would be addressed. So I’m finding out that there were no enforcement mechanisms in the condominium that I was living in that had also to do with fire department violations. I was unable to get any servicing around that.

So that caused the condominium to instruct management to go ahead and tell security forces that I should not be walking in any other building other than the one I occupied, which had me getting a trespass notice that later went to court. Of course, it did not stand up in court, but it did cause me the inconvenience of not being able to travel to the United States in 2010 when it was reviewed that I did have that stopping me. It came up in just a routine check as I was crossing the border, but it did affect my travel.

Access to common elements in the condominium—the amenities—is provided by a recreation centre card, something that the property management refused to give me, which created conflict with the security forces who, in fact, went ahead and contacted police and had me charged with theft, criminally. They did not provide any of the disclosures that they said they had—videotape and everything that had me being charged by the police.

I did go to court and I paid a \$25,000 cost for an application that had been made by the condominium corporation against me, one that, line by line, 500 pages, including photographs—all disputable. I can call it what it is: It’s lies. My avenue to proceed against the corporation in defending that would have been in excess of \$75,000, so I paid the \$25,000 fee and was told by the judge I did have the right to go around common elements in the condominium.

I have also gone to the property management around matters like electricity being shut off, not just in my unit but in seniors’ units, people who did not speak English, and it wasn’t of interest at all to the condominium management that practices like that took place.

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I also was asked by the condominium corporation to provide access to my unit so that they could do an inspection, that had their corporation engineer stating that the

type of piping that I was using was totally appropriate—PEX piping, it's called. To have the condominium corporation turn around and refuse their own engineer's report and ask me to restore the condominium to the standard unit condition, which is copper pipe—it just seems the condominium board can't continue to oppress an individual.

It's also a concern to me that over 300 unit owners in the condominium were not advised of a committee of adjustment application for a condominium that was going up next door that had a reduction to the parking standard request of 50 parking spots. Three hundred people were not notified, yet the management did not proceed to take this matter to the Ontario Municipal Board. It's something that I had to do. I had to take it to the Ontario Municipal Board myself, which, in fact, ruled that even though it did make it through the committee of adjustment without complying with the notification requirements, that was not of interest to them. They just went ahead and routinely approved the application for the reduction of the parking standard.

I have concerns around proxies, in that just last year there was a need for two AGMs that had to be held in the building within a one-week period. Given that proxies were written up, there were four positions available. Three board members' names that were running for the board had their names put in the first three spots, leaving just one blank line. That would have someone thinking that you're only allowed to vote for one person, when in fact you're allowed to vote for four.

In that same election, the property management went ahead and instructed to just leave on doors campaign literature that was from the president. Three candidates who were running for the board had their campaign literature taken off of doors by security.

Like I say, it was only after reading the websites condomadness.info and Anne-Marie's site that I recognized that a lot of the things that I had encountered are really patterns. They are problems that are taking place in the condo industry. I'd really like you all to take the time to look at that.

I know you're aware—I think you might have already been told—there was a study done back in 1977. It made a lot of recommendations. Had they been put in place, I really feel I wouldn't have had to have put up with a lot of the problems that I did in the condominium. Thank you for your time.

The Chair (Ms. Soo Wong): Thank you, Mr. Tarr. I'm going to turn to the government side. Ms. Vernile?

Ms. Daiene Vernile: Thank you very much, Mr. Tarr. My name is Daiene Vernile; I'm the MPP for Kitchener Centre. Like you, I, too, live in a condominium. I'm very sorry to hear about some of the very unfortunate experiences that you have had as a condo owner. I want to thank you, though, for appearing before this committee and sharing some of your experiences and insights with us. It helps to inform us as we do our work.

I just want to find out more about your experience. You said that you bought a condo in 2009?

Mr. Calvin Tarr: Correct.

Ms. Daiene Vernile: And you couldn't live in it or rent in it. Why is that?

Mr. Calvin Tarr: I started to renovate it. I provided all the materials, the scope of work and everything that had to be done, to the property management. At the same time, I got involved in the dispute defending the employee who was getting paid with the voodoo bookkeeping that was taking place, that I described, where invoice amounts were being written on cheque stubs and they didn't add up to the amount of the cheque. What happened at that time is I really feel that they used the construction that I was doing as a way to oppress. So they made entry to unit—they wanted to come in and see, even though they had piles of documentation, including an application that I had made to the city of Toronto for a building permit that only required their signature, as the condominium management office.

Then, when the condominium engineer provided the letter stating that the material that I was using was in fact correct, it took 50 weeks for me to get a complete copy of that report. Meanwhile, I paid my maintenance fees all the time. I repeatedly requested the corporation's solicitor, the property management, that I get a copy of the report, and it wasn't forthcoming. It took 50 weeks, and then right after that they turned around and they stated that I had to return the unit back to the original condition of doing it in copper.

It just seems to me that when you replace property management companies and you replace boards and you replace security companies the way they go through, you effectively just erase the history.

Ms. Daiene Vernile: So with this legislation that we're proposing, Bill 106, you're going to be seeing condo owners and those who are purchasing condos having greater authority. You're going to see required condo managers who are licensed. We're creating new governance requirements for condo boards, and we're creating a very cost-effective and quicker way of resolving disputes. What are your thoughts on those points?

Mr. Calvin Tarr: Anything that can be done to keep matters out of the courts, absolutely. There's no way to play catch-up, especially with a statute of limitations and everything. There were things going wrong weekly and monthly just coming up that were new issues with the condo to go ahead and exhaust what resources we had and go to court. It wasn't feasible because they were always in a position to withhold, withhold. I say things like the engineer's report, not getting co-operation from other officers of the corporation, like the auditor.

Ms. Daiene Vernile: I understand that you appeared before a round table in Toronto and you shared some of your experiences. Do you have any specific recommendations for our committee?

Mr. Calvin Tarr: Don't let the wolves watch the henhouse. Okay? That's—

Ms. Daiene Vernile: We've got lots of good points in this legislation, and I believe it's going to go a long way in helping to protect the 1.3 million people in this

province, like you and I, who own condominiums. Thank you very much for coming and talking to our committee today.

Mr. Calvin Tarr: Thank you.

The Chair (Ms. Soo Wong): Thank you, Mr. Tarr, for being here.

MS. REVA LANDAU

The Chair (Ms. Soo Wong): The next witness is Reva Landau.

Ms. Reva Landau: I brought 25 copies of a summary of my points. Where should I put them?

The Chair (Ms. Soo Wong): The Clerk will come pick them up.

Good afternoon, Ms. Landau. As you heard, you have 10 minutes for your presentation, followed by five minutes of questioning. This round of questions will be coming from the official opposition party. I may stop you because I think there may be a vote coming. So if it does require us to go upstairs, I will let you know. All right?

You may begin any time. Please identify yourself for the purposes of Hansard.

Ms. Reva Landau: My name is Reva Landau. I've been a condominium unit owner and resident in a 200-unit condo in central Toronto since 1993. I've also been a member of the board on several occasions, for a total of about nine years.

I think Bill 106 has some points that will be definite improvements, especially the Condominium Authority Tribunal, though until we see the actual regulations for the Condominium Authority Tribunal, it's hard to judge. But I think there are two important points that have not been dealt with and that would be significant improvements to the act. These have to do with records and expenditures from the reserve fund.

In regard to records, the points are: What records can a unit owner see and how soon can they see them after they request them? The current Condominium Act, section 55—and, as far as I can tell, Bill 106 still—speaks about the records of the condominium. There are some judges who have interpreted that to mean all records of the condominium, provided proper procedures are followed and they're not specifically excluded. Some board members and property managers say it's just the records listed in the Condominium Act; that if they're not listed in the Condominium Act, then the unit owner doesn't have a right to see them. So I think if the intention is to, as one judge said, make the condominium an open book to unit owners, then it should say very clearly all the condominium records except those specifically excluded and provided proper procedures are followed.

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The second issue relates to receiving documents in a timely fashion. I have waited four months on several occasions to see approved board minutes and financial statements. It was after significant, constant emails, telephone calls and letters to the board that I finally received them.

Section 55 does refer to regulations being passed, but until or if such regulations are passed, I think the Condominium Act should state clear time limits for at least some documents. For example, minutes of board meetings should be available within five business days after the request. Similarly, recent financial documents should be available within five to 10 business days of the request. Referring to a "reasonable" time is not helpful because unit owners, property managers and boards don't necessarily agree on what is reasonable. I, for example, don't think four months to see approved board minutes is reasonable.

The third very important point is the names and mailing addresses of unit owners. The Condominium Act must state specifically that unit owners are entitled to speedy access to a list of owners' names and their mailing addresses. A number of the rights given unit owners, such as the right, under sections 58 and 46, for the owners of at least 15% of the units to submit a requisition that will force a vote on rules passed by the condominium board, mean nothing unless unit owners have a way of contacting other unit owners.

Most condominiums have at least some non-resident owners. In Toronto, a number of condominiums have 50% to 60% non-resident owners. Unless an owner can get a hold of the names and mailing addresses of other unit owners, they can't contact them to force a vote on the rules, to force a vote on questions of changes and modifications that do fall under section 97, and for a number of other issues.

Now, judges have ruled that unit owners do have the right to the names and mailing addresses of other unit owners, but some condominium boards and property managers say, "That's just the opinion of a couple of judges. We don't have to release the names and mailing addresses." They claim privacy concerns, or that subsection 55(4) forbids them from releasing records relating to specific units or owners. Now unit owners may, under the new legislation, be able to appeal to the proposed Condominium Authority Tribunal, but without a clear statement in the act, this authority will not have guidance.

It's also crucial to understand that the release of names and mailing addresses is very time-sensitive. For example, unit owners have only 30 days to obtain a requisition of a meeting to stop rules going through or to stop certain changes to the common elements going through. It's therefore important that condominium owners not only be given the right to receive the names and mailing addresses of other unit owners for reasons related to the purposes of the Condominium Act, but they should have a right to receive them within three business days of the request if it's for time-sensitive purposes such as the requisition of a meeting.

My second point has to do with the use of the reserve fund. When you look at the Condominium Act, it looks very good. It describes in detail the notification requirements for expenditures from the operating fund—emphasis on operating fund—for changes, alterations and improvements. But expenditures can be made from the

reserve fund without any need for owners to be informed, or given an opportunity to force a meeting for approval. There has been very little discussion of this major discrepancy.

In theory, the reserve fund is supposed to be used only for major repair and replacement. What's that got to do with changes? But there are two big loopholes. The first is the claim that the improvement or alteration is not a modification because it's following common construction standards, as outlined in subsection 97(3), or the change is attached to a straight replacement. The auditor will approve funding the expenditure from the reserve fund, even though it is a change, because it is attached to a replacement.

In regard to current construction standards, what does this mean? All condominiums? Condominiums in a similar price range? Is it referring only to health and safety standards or to any type of standard? For example, our condominium had to replace certain components of our HVAC, which I'm sure you all know by now is the heating, ventilation and air conditioning system.

As part of the project, the board decided to air condition the corridors, which were previously not air conditioned in the summer, though they were heated in the winter. The supervisory engineer said recently built condominiums generally have air conditioned corridors, so the property management and the condominium board said that therefore, this change followed current construction standards and did not count as a modification. This important change could be made with funds from the reserve fund without having to even inform unit owners, much less get their approval.

Now whether new condominiums generally have air conditioned corridors, I don't know, but even if it's true, this is a significant change in functionality, which costs more than had been allocated in the reserve fund and which would increase future operating costs. Sometimes, unit owners deliberately buy into a condominium without the latest bells and whistles because they don't want to spend money on the latest trend. They should have the right to be informed at least about such an improvement and, if enough unit owners object, to call a meeting. By the way, even if it had not been a current construction standard, the auditor probably would have approved the change being funded from the reserve fund because it was attached to a required replacement.

The stage 2 finance working group report noted on page 66 that courts have been generous, as they put it, in allowing boards extensive updating without owner approval, and the Condominium Act should not go against these decisions. That's precisely the problem. What is the point of all the requirements for notice and owner approval if expenditures come from the operating fund when the boards can do an end run around these requirements by making expenditures from the reserve fund?

There is an additional problem in that the current act and the courts have been concerned generally only with costs, which are certainly important, but not with

appearance. If a condominium repainted its corridors in bright orange instead of the current light brown using the same quality paint, that would count as using materials "as reasonably close in quality to the original as is appropriate"—subsection 97(3). The expenditure could be made from the reserve fund—

The Chair (Ms. Soo Wong): Ms. Landau, can you please wrap up?

Ms. Reva Landau: I have in my handout several suggestions as to changes that could be made in the act to make sure unit owners were informed of changes, whether they were funded from the reserve fund or the operating fund, and whether they follow current construction standards or whatever, and whether there was a change in functionality or appearance. If it was a change, unit owners should be informed.

The Chair (Ms. Soo Wong): Okay, I'm going to stop you right there. Mr. Fedeli.

Mr. Victor Fedeli: I know you're halfway through point 6, and you've got 14 points. Will you take our five minutes and just carry on? I'm finding this quite fascinating.

Ms. Reva Landau: Okay. I hope everybody has the handout. What I'm saying—first of all, the point is that if a change is coming from the reserve fund or the operating fund, whether it's current construction standards or not, whether it's attached to a repair or replacement or not, unit owners should be informed. I think that's a minimum. It doesn't matter whether it's a change in appearance or functionality, let them know.

Similarly, they should be given similar notice of all proposed expenditures over a total given amount, again, whether it comes from the operating fund or the reserve fund. Again, at least this would force the board to let unit owners know. If the expenditure involves an amount over a certain amount—say \$50,000—and involves a change in functionality or service, whether an improvement or a diminishment, or a noticeable change in appearance, then unit owners should have a right within 35 days to requisition a meeting.

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Obtaining the signatures of at least 15% of unit owners is not easily done. I've done it; it takes a lot of work. It's not something that you can do if the change is trivial or beneficial. This wouldn't apply to changes required by law. It wouldn't apply to expenditures that must be done for reasons of health or safety, but if you're using the law, health or safety card, then you can't attach other changes to it. If that's what you're doing, then you have to do the same quality, the same appearance and the same functionality. If you want to make those other changes at the same time, then you have to do the same notice requirements.

The Chair (Ms. Soo Wong): You have two minutes, Mr. Fedeli.

Mr. Victor Fedeli: Thank you very much. I think it's fascinating to hear from an actual condo owner and board member. You know that next week we have some more deputants, and the following week we begin to study our

amendments. Is there anything specific in amendments that you would want to see brought forward, other than the 14 points that you've listed here?

Ms. Reva Landau: There are other amendments I'd be interested in, but as I only had 10 minutes, I concentrated on the two that I thought were most important.

Mr. Victor Fedeli: The Chair will tell you when the date is that you can submit them by.

Ms. Reva Landau: Thank you very much.

The Chair (Ms. Soo Wong): You have until October 29 at 6 p.m. to submit any written submission to the Clerk.

Ms. Reva Landau: Do I have to do 25 copies, or can I do it by email?

The Chair (Ms. Soo Wong): No, just one copy, electronically.

Ms. Reva Landau: And do I submit it to Mr. Koch?

The Chair (Ms. Soo Wong): Yes.

Anything else, Mr. Fedeli?

Mr. Victor Fedeli: No. I really appreciate you being here; thank you.

Ms. Reva Landau: I appreciated having the time to talk to everybody.

The Chair (Ms. Soo Wong): We anticipate your submission later on. Thank you for this written submission to us today.

MR. CRAIG ROBSON

The Chair (Ms. Soo Wong): All right. The next group coming before us is the Waterloo Region Home Builders' Association. I believe it's Mr. Robson. Welcome, Mr. Robson.

Mr. Craig Robson: Good afternoon.

The Chair (Ms. Soo Wong): Good afternoon. You probably heard that you have 10 minutes for your presentation, followed by five minutes of questioning. This round of questioning will be coming from Ms. Fife. You may begin at any time. Please begin by identifying yourself for the purposes of Hansard.

Mr. Craig Robson: My name is Craig Robson. I'm the representative of the Waterloo Region Home Builders' Association, which is a member of the Ontario Home Builders' Association.

My practice is primarily in the Waterloo region, practising in condominium development and subdivision work, but also acting for condominium corporations—which is not necessarily totally unique, but it's somewhat unusual to have one firm that actually acts on both sides of what I refer to in my materials as sometimes a rather high fence. Some of my submissions may not quite be as pro-builder as they should be, and some of them will definitely be labelled as personal submissions so I don't get murdered upon my return to Waterloo region.

My next submission is really something which is clearly a personal submission. I want to be very clear on that: It's not an official submission of the home builders. With some regret, I say that I think the industry has brought some of this on themselves. As a condo

developer's lawyer, I see a lot of stuff going on that I kind of wonder about sometimes, but when I see some of the terms of HVAC leaseback arrangements and other things that happen—adjustments scattered all over the statements of adjustment so you can't figure out what the total is—I don't blame some consumers for being upset about it, regardless of what I have to do in my day-to-day practice to put documentation in place.

But that, as I said, is a personal view. Although it's probably not at all relevant, the six points I heard discussed by the prior speaker—while I might feel that there are some modifications and massaging that might come forward, I think that there's nothing illegitimate about those comments, and I don't disagree with what she was saying in a general sense. There are a lot of procedural issues.

I'm not trying to follow my submission. I'm one of those people who would say that if you want to read my submission, read my submission. I'm going to pretty much freestyle a little bit—just some other comments in passing.

I'd like to touch on the tribunal, although that doesn't have a lot to do with home builders. I was just explaining to one of the gentlemen that I was sitting with that I have been doing this for 35 years, and I get phone calls about, "My pipe just burst; whose responsibility is it? The condo corp is telling me blah, blah, blah." It takes me an hour to an hour and a half to figure out that question. I've got to check the declaration. I've got to look at the description plans. I have to read the standard unit definition. I have to read the maintenance and repair obligations in the declaration. I have to check to make sure that the guy that drafted them didn't go outside the law at that time. I am just very concerned—although I think the tribunal is a good idea—who is going to answer those phone calls? Who is going to be making these decisions? Harry Herskowitz is busy. I don't know who else is left.

You can't train someone to do this stuff. It takes me five years to train a junior to be able to do basic condominium corporation work, to be able to answer the day-to-day questions that come up. I don't know much, but I do know condos, and I'm pushing them hard to learn this stuff. I don't know where you're going to find the people to answer the phone. The people that would have that skill set probably already have some really good jobs at condominium corporation law firms. I just question that. It's something which I think hasn't necessarily been at least brought to our attention as having been considered, and I think it really needs to be.

I know this legislation is largely consumer oriented. I have no issue with that; as I stated earlier, I think it's necessary. But while we're amending the legislation, let's not forget the dull stuff in the second half of the act, which deals with the different kinds of condos and what we have to do on a day-to-day basis to register a condominium. Some of the time and money we spend in producing documents when we do phased condominiums that are totally—well, it's of very little value to hand out an envelope this thick to every unit purchaser in a phased

condo every time I register a phase. I have a printing company where I live near Ayr that I keep in business with these things. And nobody reads them; they're not required, but the act says we've got to get them out. So I have juniors running around preparing these documents that nobody reads. We need to talk about some of that.

One of the things that I think is really important from a developer's standpoint is that the Condominium Act applies not just to Toronto and its high-rises; the Condominium Act also applies to townhomes. When you get outside of Toronto, we tend to go horizontal far more than we go vertical. Now, we're doing more and more mid-rises and high-rises as the price of dirt goes up, but we don't do nearly as many high-rises as in Toronto, and Toronto doesn't do nearly as many townhouses, again because of the price of dirt.

We've been doing phased condos ever since the act came out. I've probably done 200 or 300 phased condominium projects. Toronto lawyers and developers don't do nearly as many because they're dealing with high-rises, which don't phase nearly as conveniently. It doesn't work nearly as conveniently. There are a lot of issues with phased condos, just in the paperwork and understanding it. There are things that could be done to streamline that. There is one thing, which I don't know if it's appropriate to raise but it's not going to be something that comes to your attention from Toronto developers and builders: We have projects of 200 units, which, in Toronto, would be sold possibly before lunch on a warm, sunny afternoon. They're gone—poof. You put them on; they're gone. I have five projects that we're acting for in very, very small communities, typically on the lake somewhere, the small community—a couple hundred units, phased condos. They've been registering and selling very steadily for the last eight to nine years. They still have 30 to 40 units to go. They do 10, 15, 20 units a year.

There's a little wrinkle in the legislation that says you can only register a phase if within a 10-year—you have 10 years to get your condo finished. It doesn't really say what happens after that. I know what happens after that because I set my documents up properly. I'm going to have to register a second condo for these 30 units that I don't have in the condo. Well, that's great, to have two condo corps now on a project that was set up to be one condo corp. It seems silly, a 200-unit condo: How could it take you 10 years to sell it? It does in the smaller communities. You go to somewhere like Meaford; it takes a while. It takes a while to get people to even understand that a condo is not a bad thing. So they don't go 50 or 60 a weekend; they go seven, eight, nine, 10 or 12 a year. This is something which, if we wait for the act to come in in its full glory, which isn't going to be next week, there is going to be a number of projects throughout the province, outside of Toronto, where the phasing is going to have to stop because its 10 years have come up. Then you're going to have to do a separate condominium corporation and plan in the same development and hope to heck they get along, and hope to heck

that whoever drafted the documents put up the proper easements and cost-sharing provisions. It's not going to be a good thing. It would really be easy to deal with: Just change the 10 to 15, if you want to give yourself a little time to think about it. That may be beyond the scope of what we're trying to deal with.

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In my materials, I highlight the fact of vacant land condos and townhomes being a very, very good thing for the industry and for the consumers. There are a few things which could be tidied up there which haven't been touched in the new legislation. The legislation doesn't allow the condominium corporation to insure the units on a vacant land condo; neither does it let the condo corp do maintenance or repair on the vacant land condo, which I read as snow removal and grass-cutting. That is a significant issue when clients are doing vacant land condos, when you say to them, "You realize that your purchasers are going to have to take care of their own snow and grass?" And they say, "Well, that's not who we're marketing to." I say, "I can get around it—there are ways—but it's not easy to do."

It really isn't a good thing to not have the condo corp insuring structures in a condo, because if you take a block of six townhomes, three of them aren't going to have insurance and one of them lied about what the heck it's made of. So if that thing blows, it's not a good thing. It's better to just let the condo corp insure the structures of any condo unit, or at least have the option to. It shouldn't be prohibited. That's something which we work around. We put provisions in our declaration requiring you to prove that it's insured so that we can protect the purchaser, but it's not as clean as the standard condo, where the condo corp simply takes care of the standard unit and that's covered in the insurance. That's a good thing.

We have to keep in mind when we're drafting—and I must compliment the people we've been working with from the government standpoint. They are listening to us, so I don't want to be seen today that I'm complaining that they're not listening to us. We've had some very good dialogue with them, and they're way ahead of me on most everything. But we just have to keep this in front of us: that there's a lot of province out there that doesn't do high-rises; they do 10- and 20-unit condos. Try to get a property manager for a 20-unit condo: There's no money in it for the property manager. If you're only going to charge 30 bucks a door, they're not going to do it.

We have to be very, very careful about these property management requirements and licensing. I think it's a good thing to license property managers generally, but if you've got a small condo in Fenelon Falls with 20 units in it and the nearest property manager is a guy who spends most of his time in the men's room at the Queens, you would probably not necessarily want to hire that person—he probably isn't licensed—but they may well want to hire someone to help them with bookkeeping, someone to help them—

The Chair (Ms. Soo Wong): Can you wrap up please?

Mr. Craig Robson: Absolutely—with management. I think that we just have to be careful that we don't impose things on people that can't be accomplished.

And I'm done.

The Chair (Ms. Soo Wong): I'm going to turn to Ms. Fife to ask you some questions.

Ms. Catherine Fife: Thank you very much, Mr. Robson, for coming in today. I think it's really important that someone from outside Toronto, with your expertise and experience, actually weighs in on this piece of legislation.

It's interesting, because you didn't get a chance to go through your package, but I did notice that you do have recommendation around project-specific websites, which sort of lends itself to greater transparency and accountability. We do have this agency around called Taron, who is supposed to be protecting consumers in the province of Ontario, who is supposed to be keeping accurate records, who is supposed to be documenting homebuilders who don't have the reputation of some of the homebuilders that you've been working with. It compromises the condo experience and, also, it definitely compromises consumer protection. Did you want to weigh in on the issue of Taron and the lack of accountability on that front?

Mr. Craig Robson: It's not something that I thought we would be discussing today.

Ms. Catherine Fife: That's because it's not in the bill, which is a missing piece.

Mr. Craig Robson: I can't comment. I find that Taron is effective. Certainly, anything can be done better—of course it can be done better.

On the question of websites: My point in that submission is that not everyone is sophisticated enough to set up a website. I have some clients from places that are probably 300 miles outside of Kitchener who do a four-unit vacant land condo because it's a good development to fit a piece of dirt that can't otherwise be developed. They don't necessarily have salespeople running around with glossy brochures, and trying to get them to phone me back is usually an exercise, much less talk to them about the website that they don't have. I think if a builder-developer is going to have a website, no problem. Regulate it; make sure the stuff is there; make sure it's up to date; make sure it's accurate; allow it to be interactive so you can get updated disclosure off of it, perhaps, if you're doing it properly, just, again, being careful that you don't force the smaller builders who don't really have websites and will not keep them up to date, no matter what you tell them in the legislation.

What I tell them in my letters about, "You will go to hell and be sued till the cows come home if you don't do this"—they don't even read that. I'm just saying, if you do it, great—do it right. But don't impose the obligation on guys who don't otherwise do it.

Taron, to me, is—

Ms. Catherine Fife: Did you say Taron is efficient? You think that Taron, as an agency, is efficient?

Mr. Craig Robson: I think it accomplishes its purpose, at least from the sense of making sure that people who are in the business of selling new condominiums have to establish that they have some skill set, some financial background. It's a very major thing to get into Taron. I have a client I spoke to this morning who's doing a 250-unit development on King Street in Waterloo, like everyone else in the world is. I said, "Do the math: \$20,000 times 250 is \$5 million." That's a daunting thing to raise, but I'm not objecting to it because if he disappears with the deposits, somebody has to be there to make sure that those deposits are protected.

I find—

Ms. Catherine Fife: I guess I would ask you, Mr. Robson, on the issue of Taron, which I think is the other half of this bill—there are definitely good things in this bill. It's been a long time coming around governance, around accountability and transparency, but the issue of proper oversight and accountability of Taron—nobody knows where that money is because we don't have oversight of it. We don't have access to that information, and consumers, if they're not calling you and they're not asking you about the pipe that burst in their condo, are looking to us, from this Legislature, to find out who ultimately is accountable for the building of this building and the quality of the products that went into that building, and that falls squarely on the side of Taron.

Mr. Craig Robson: I don't think there's any issue about that. That part of it is very, very clear. The builder is responsible. The Taron legislation implies some very specific warranties, and if those warranties are not followed, then the Taron corporation is on the hook for it. I think that is already covered. I wasn't anticipating that the condo act should be concentrating on Taron because Taron deals with a lot of things other than condos. It deals with single family homes—

Ms. Catherine Fife: Home builders, period.

Mr. Craig Robson: Yes. It's a builders legislation, and I have no issue—obviously, review Taron, but I think it's a separate deal.

The Chair (Ms. Soo Wong): Thank you, Mr. Robson, for being here and thank you for your written submission.

REAL ESTATE INSTITUTE OF CANADA

The Chair (Ms. Soo Wong): All right. The next group coming before the committee is the Real Estate Institute of Canada. I believe there are two individuals before us. We have Mr. Fischer and Mr. Roberts. If there's a handout, the Clerk is coming around to help you. Come and have a seat, sir, and welcome.

As you heard, you have 10 minutes for your presentation, followed by five minutes of questioning. This round of questions will be coming from the government side. You may begin any time. Please identify yourself and your position with the institute for the purposes of Hansard.

Mr. Johnmark Roberts: Good afternoon, everyone. My name is Johnmark Roberts. I'm a realtor by profes-

sion, and I'm here this afternoon representing the Real Estate Institute of Canada, REIC, and its members. I'm a fellow of the Real Estate Institute, an FRI, and a member of our REIC, and I currently sit as a director on the national board of REIC.

With me today is Scott Fischer, an REIC member and a senior volunteer at the institute. Scott is also a reserve fund planning expert.

REIC is a professional educational institute with over 2,000 designated members across the country whose designations span all aspects of the real estate industry: property management, real estate sales, leasing, development, finance and reserve fund planning. Promoting high ethical business standards is the cornerstone of all designation programs at REIC. A significant portion of our membership actively works in the many different aspects of the condominium industry across the country.

I would like to quickly highlight a couple of facts about REIC. We were a major contributor to the Condominium Act, 1998, with regard to the reserve fund studies. REIC members brought their knowledge and professional expertise to two of the stage 2 work groups and the most recent condo review and were involved in further discussions with the ministry. REIC's property management designations align well with the expertise and accreditation requirements for condominium property managers, as they relate to a broad assortment of condominium types. REIC's sales and leasing designations have realtor, builder and development members who also are actively working in the condominium industry across the country. REIC has a 60-year history of elevating professionalism in the real estate industry. It is on this basis that we comment on Bill 106.

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REIC supports and applauds the effort of this government to ensure Bill 106 protects affordable ownership, protects the public and reflects current and future needs of the diverse group of condominium owners, residents and other stakeholders here in Ontario. In particular, we are supportive of:

- clearer, more comprehensive rules to prevent owners from being surprised by unexpected costs after buying a newly built condo;

- a new condominium authority to provide fair, fast and affordable dispute resolution mechanisms and help prevent common disputes;

- improved financial transparency for condo corporations to help prevent financial and organizational mismanagement;

- better governance requirements for condo boards, including training and education resources for condo boards;

- the simplification of language, standardization and the new condo guide, which will lead to greater transparency, public education and knowledge;

- elevating the education and professional standards for the condominium industry;

- the creation of mechanisms to build stronger, more resilient communities within condo corporations;

- making boards more accountable and transparent; and

- addressing the need for standardization of the reserve fund studies, due to the complexity and the need to balance engineering, financial and other aspects.

REIC already has a recognized standard in place across Canada with our certified reserve planner, CRP, designation. This credential is recognized in legislation in Ontario, Saskatchewan and New Brunswick, and is recognized in Alberta, British Columbia and Manitoba. We would be happy to work with the ministry in developing an Ontario standard in reserve funds.

Given that condominiums are a growing sector that now house about 10% of Ontario residents and some 1.3 million people, oversight and proper management of condominiums is of utmost importance to protect the increasing number of diverse owners, the public, and to build a safe and secure Ontario.

We would like to bring the following concerns to your attention for your consideration:

First, REIC supports the establishment of the two new condominium authorities to provide increased transparency, dispute resolution and the licensing of condominium property managers; however, we are greatly concerned about the costs associated with these self-funded bodies. We fear that, without proper oversight, the condominium authorities could needlessly make condominium ownership more unaffordable by unilaterally raising fees. We recommend that Bill 106, section 129 and section 130, be amended so that any fees and levies should be set by the minister and Lieutenant Governor in Council for better oversight and transparency.

Second, as an educational organization with a strong professional code of ethics, REIC supports raising the standards for a condominium board of directors. Compulsory education for new board members is a good idea but could easily increase costs and discourage owner participation. The training of directors should be a best practice that should be encouraged through incentives and education but left to the discretion of each corporation. REIC suggests that, while there is some merit in standardized training for directors, this might be better promoted as a best practice with incentives, rather than being mandatory for all directors on boards, whether or not they are new or experienced. Further, we recommend that the educational training programs should be expanded to include leadership, governance, asset management as well as responsibilities and liabilities.

Third, REIC supports the licensing of condo property managers and applauds the inclusion of codes of ethics. However, there is a steady decline in the educational scope and quality in the current marketplace. There's danger in setting minimal standards and creating low thresholds in achieving condo property manager licensing. REIC would like assurance that the education curriculum will be robust and of high quality, with a focus on ethics and responsibility to owners. Otherwise, we will suffer from inadequate training and poor management standards. REIC recommends that the education

curriculum be developed using multiple partners in the industry to maximize quality content and standards. Further, REIC recommends that the Ontario standards reflect national standards for consistency in standards, as large companies or corporations and workers own and manage properties and work in properties across the country.

Promoting high ethical standards is the cornerstone for REIC designations. As a national provider of advanced credentials in property management, we would like the opportunity to participate in building the educational requirements for condominium property managers and to help set industry standards and best practices.

Fourth, REIC believes the cost of education should be the responsibility of the individual condominium property manager in order to be cost-neutral to the condominium owners and the government.

Fifth, REIC recommends that, moving forward, the licensing legislation described in schedule 2, part III, include a defined role for unregistered assistants working for the property management providers. This will increase professionalism in the industry and lead to better-managed condo buildings. REIC recommends that the licensing regulations to be developed consider the role of the unregistered assistant, outlined in schedule 2, part III of the act. Defining these duties and responsibilities should provide clarity and make a property manager provider more effective in the delivering of services.

Sixth, regarding schedule 2, part IV, under "Regulation of Licensees," section 45(3): REIC agrees that a licensed condominium management provider that is a corporation should, in a timely manner, notify the registrar of any changes to its officers or directors. However, we do not agree that there is a need for the registrar to give consent before a business changes its officers and directors. The registrar already has control over the condominium aspects of the business through the regulation and licensing of the condo property managers. The corporation is a separate business entity and can often span provinces and countries, dealing with a wide variety of legislation; sometimes, condo property management is a small portion of its business. We recommend that schedule 2, part IV, section 45(3), be amended to not include prior consent from the registrar before making changes to the officers and directors of a corporation.

The seventh and final recommendation in this short time frame: REIC recommends that all existing professional designations in the current Condominium Act and regulations need to be incorporated in the regulations of the new condominium act to ensure continuity with condominium boards and planners, and provide a competitive selection of professional service providers.

In conclusion, we applaud the government for the extensive stakeholder consultation and process employed in developing this important piece of legislation. We look forward to our continued engagement in assisting and developing practical and meaningful legislation that will reflect the current and future needs of all condominium owners, residents and other stakeholders in Ontario.

On behalf of the Real Estate Institute of Canada, I would like to thank the members of this committee for providing us with the opportunity to comment on Bill 106.

The Chair (Ms. Soo Wong): Thank you very much. I'm turning to Mr. Potts to ask you some questions.

Mr. Arthur Potts: Thank you very much, Mr. Roberts and Mr. Fischer, for your presentation and for coming down, and thank you for your support of the bill in its general terms. The consultation work that your organization has done is, obviously, reflected in good parts of this act. We appreciate very much that you've had a chance to come.

I want to focus on your role as reserve specialists, just for a second, if you wouldn't mind. Maybe you could talk a little bit—we've heard discussion today about what level of condo expenditure should be a board decision, whether \$200,000 is too high or \$75,000 is too low. Maybe you could comment a little bit about where you think—and maybe it changes from the size of condos. Give me a sense of your input on that.

Mr. Johnmark Roberts: I'll refer this discussion to Scott.

Mr. Scott Fischer: Hi. So, with reference to the threshold at which the condo board should go back to the ownership and have to provide explanation on those expenses, you're absolutely right: It varies on the size of the condominium project. As some of the previous speakers were talking about with respect to townhomes, some of them are very simple and—vacant land condos—some of them get very complex, when you look in downtown Toronto, for example, and some of those new ones going in. I was at a property yesterday where they had basketball court, which is a little bit unusual. So, again, that threshold will vary depending on the size of the condominium project, and it would be inappropriate for me to say that there is a threshold, that one size fits all.

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Mr. Arthur Potts: Okay. Fair enough. The comments you were making about board training: I agree very much that they're very important, specifically ethical training, but whether it should be mandatory or not—I think you comment a bit about that. It's a bit ironic. There's no school that I had to go to before I came here and became a member of this Legislative Assembly, but once we get here, we rely on the resources of our staff behind us. Also, we go out and seek the kinds of information we need to train ourselves to better understand. I wasn't an expert in condo legislation; I don't think I am yet, but I know a lot more about it now than I did before.

Maybe you could comment a little more about how you would see, in a voluntary way, educating board members as they come on so they can do their fiduciary duty without being scared off of participating. I would think that if I had to go to school for four years before I could run for political office, it probably wouldn't have happened.

Mr. Johnmark Roberts: I'll comment on that. There are all sorts of different ways that you can provide

training and education. For example, the Ontario Real Estate Association offers leadership training and different levels of that all over the Internet. It's very simple and straightforward. Anyone joining a committee or moving up in organized real estate in one of the executive positions can get further online training very quickly, very easily, in their own time frames.

With your new condo office and other things, there are ways that these modules and programs can be put together to provide this type of training as needed. Experienced board members don't really need to repeat all of the education and training every time you have the new board.

Mandatory training, to me, is the ultimate. I believe strongly in education, and the more education we have is the best. The downside is that there are still a lot of condos that struggle to find members who are willing to volunteer to be on the board. You don't want to scare away someone who could be good and very active on the board by giving them this overhead of education. You'll want to find other ways. And possibly there may be ways or incentives that could be given to boards by the government for whatever reasons, or in some manner that can assist in encouraging them to proceed along educational lines, because the bottom line is, without this education, as you know, it's a steep, uphill battle. Once you've got the education, running is quite easy.

Mr. Arthur Potts: Fair enough. You also talked about unregistered assistants. In the context of some other comments we've had here, in rural communities, the smaller communities, smaller developments, having a registered, certified condo manager becomes a bit of a challenge. Do you see a role where unregistered assistants, under the guidance of someone, maybe in a central location, could go out and service those condos on a contractual kind of basis? Would that be useful?

Mr. Johnmark Roberts: I think you have to be careful here between who is doing and who has the responsibility. There are some things that should reside within the licensed condo property manager, but there are duties and responsibilities—you see, if you sit down and define everything that a licensed condo manager should do, it's everything, and you automatically eliminate, based on the way the existing act reads, everything that an unregistered person could do. So it's easier to define what a registered person could do, and then make the condo's licensed manager responsible for everything that that person is doing on top of the other things. That gives you a better production. It would be nice to be able to have some of the duties off-loaded, because they don't necessarily require the amount of education that a licensed condo property manager would, so this is why it would be a lot easier, especially for the providers, if they had some definition.

The Chair (Ms. Soo Wong): Mr. Roberts, I need to stop you there. Thank you for your presentation. Thank you for your submission, and to both of you for being here today.

Mr. Arthur Potts: I've got two more seconds.

The Chair (Ms. Soo Wong): No, you have five minutes. That's it. Thank you, gentlemen.

ADR INSTITUTE OF ONTARIO, INC.

The Chair (Ms. Soo Wong): Our last witness for today is the ADR Institute of Ontario, Inc. and, I believe, Susette Clunis. Good afternoon. Welcome. It looks like you have some handouts for us. I will get the Clerk to come and pick them up from you.

Ms. Susette Clunis: Okay, yes.

The Chair (Ms. Soo Wong): You have 10 minutes for your presentation, followed by five minutes of questioning, and this round of questioning will begin with the official opposition party. Mr. Clerk, the witness has some handouts.

All right, you can begin any time. You have 10 minutes. Please identify yourself when you begin for the purposes of Hansard.

Ms. Susette Clunis: Thank you. My name is Susette Clunis and I'm the executive director for the ADR Institute of Ontario. I'm here to represent our condominium advocacy subcommittee, a group of people who are made up of owners and ADR professionals within Ontario.

As a leader in dispute resolution in Ontario, the ADR Institute is a public service, non-profit organization with no government or political affiliations. It's a member association of dispute resolution professionals whose function is to provide the public, through its members, the means to resolve disputes of all kinds through arbitration, mediation and other conflict resolution methods. ADRIO is a provincial affiliate of the national organization, the ADR Institute of Canada, that provides information, education and research on arbitration, mediation and conflict management and prevention.

Our primary objectives:

- develop competent ADR professionals, including accreditation practices and approval of training programs;

- provide ADR professionals who are members of our institute with accreditation, certification, a code of ethics, rules of procedure, complaint and discipline procedures;

- assist the public, government, private and public sector organizations and associations to understand the potential of ADR as well as assist the public, government, public and private sector organizations to find competent professionals; and

- provide a united voice for ADR professionals in matters relating to the practice of ADR in Ontario. We also provide training and resources that many organizations can have access to.

ADRIO members have a long history in supporting the resolution of condominium disputes, and ADRIO has demonstrated significant leadership in the current and previous legislative review processes. We wish to comment on Bill 106 as follows:

ADRIO supports the establishment of the condominium authority to resolve condominium disputes in a timely and cost-effective fashion. Condominiums are

communities and those in dispute are often neighbours who will continue to interact and live in a common environment. Relationships are central to this type of community, and are best served by conflict prevention and timely resolution of disputes.

ADRIO supports the retention of mediation as a means of resolving condominium disputes. Mediation has the potential to resolve issues that are not merely monetary. Mediation is a valuable process that allows for the preservation of relationships between individuals in conflict, and has the potential to improve communication on a going-forward basis to prevent future disputes.

ADRIO believes that arbitration is an appropriate process for determining certain condominium disputes. Arbitration provides flexibility of process tailored to the needs of the parties. Arbitration decisions can be court-enforced. There is a community of arbitrators with specialized knowledge in condominium law who have an understanding of the unique implications of condominium investments. To the extent that some disputes are not governed by the condominium authority, arbitration might be a viable alternative to court. ADRIO believes that disputants should have an option to arbitrate if all parties consent to the process.

ADRIO members who have expertise in the condominium industry are recognizing that disputes increasingly involve older condominium corporations that may not have the infrastructure and financial resources contemplated by the current or new condominium legislation, including reserve fund studies and special assessments and common expenses. These disputes will probably increase with time.

ADRIO supports the inclusion of dispute resolution training for condominium managers. Condominium managers represent the board of directors and are in a unique position to bridge difficulties between the board and individual unit owners. The development of standardized criteria to assess training offered in the private sector ensures that condominium managers across the province have the opportunity to meet the same benchmarks.

ADRIO supports the development of information and educational tools, including online material by the condominium authority and other providers for the use of owners and condominium boards. Often, those in dispute are not aware of the relevance of the declaration, rules, bylaws and legislation governing condominiums in general and their own community specifically. Better access to such information in plain language will assist parties to assess their rights and obligations.

ADRIO supports the use of regulation to create the dispute resolution scheme. ADRIO members are process experts and support the development of a system that includes safeguards against abuse. It is important to instill public confidence in the condominium authority by setting out a process that is transparent, predictable, efficient and reliable.

ADRIO hopes that the regulations will provide guidelines and clarity of process for the increasing number of

disputes involving condominium units that are tenanted. Often, there is tension between non-resident unit owners and their tenants. Condominium boards and management have little control over a tenant's compliance with the rules and regulations. Clarity is required with regard to jurisdiction in these cases, and in regard to the Residential Tenancies Act. For example, sometimes one act will say you can't have pets; something else says you can. So oftentimes, our professionals are having to deal with these things.

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ADRIO supports the inclusion of an online dispute resolution platform that will provide condominium owners with access to dispute resolution throughout the province. It should combine information sharing and communications technology. An online dispute resolution platform can be applied to condominium disputes, especially conflicts over people, pets and parking, and can augment existing dispute resolution systems. In some situations such as geographic distance, this online resolution platform may be the only economically feasible and accessible way for resolving disputes. This may provide access to justice and is in keeping with the concept of proportionality, tying the cost of resolution to the complexity of the matters in dispute. ODR has been successfully utilized in other jurisdictions, including British Columbia, Europe and elsewhere.

ADRIO supports the recommendations of the Association of Condominium Managers of Ontario and the Canadian Condominium Institute in respect of the amendment to section 1.42(1) of Bill 106 to permit parties who mutually agree to opt out of proceeding to the condominium authority to mediate or arbitrate their issue privately. Parties may desire a private and confidential process. Furthermore, parties may benefit from other ADR services to improve and preserve the relationships among individuals and the greater condominium community.

External ADR practitioners have the expertise to provide these options. ADRIO, on behalf of both its membership and those directly impacted by condominium conflict, encourage the new legislation to provide flexibility to permit parties to resolve their disputes outside of the condominium authority if they so mutually desire.

ADRIO, being the largest group of dispute resolution professionals in Ontario, appreciates the opportunity to make this submission and looks forward to continuing to work actively with the ministry and the Legislature to develop and strengthen the condominium dispute resolution scheme for the people of Ontario.

The Chair (Ms. Soo Wong): Thank you very much. I'm going to look to Mr. Barrett to begin this round of questioning.

Mr. Toby Barrett: Thank you for your presentation. One of the last points that you made, recommending that this legislation provide flexibility to permit resolution of disputes outside of the condominium authority—which, right now, I guess 100% of them are being done that way, aren't they?

Ms. Susette Clunis: Yes.

Mr. Toby Barrett: And the way it's going right now is not the best. If we created a condominium authority—we have the tribunal—what do you see, going forward, as the approach, or how do you envision this happening as far as resolving disputes without going to the authority, without going to the tribunal, without going to court?

Ms. Susette Clunis: So you're asking—I'm trying to understand your question—how do we see the tribunal working or how do we see the opting out working?

Mr. Toby Barrett: No, just how do you see it working to resolve disputes without going through the proposed creation of a condominium authority?

Ms. Susette Clunis: The way we are thinking—first of all, ADRIO would like to strengthen the tribunal in terms of their processes, but what we're saying is that people should have that choice. An organization like the ADR Institute has a group of professionals across Ontario that people can access, through our website, to find help and support in terms of their issues; the way it is right now, some people can do that. We just want to make sure that people have that option to choose however they want to resolve their issues.

Mr. Toby Barrett: Okay. I don't know whether you had a chance to talk in any detail—you make mention of disputes around people, pets and parking in your brief. You describe briefly ODR, the online dispute resolution platform.

Ms. Susette Clunis: Yes.

Mr. Toby Barrett: Could you tell us a bit more about that?

Ms. Susette Clunis: As we are looking at disputes, especially at the ADR Institute, where we're responsible for all of Ontario, we're recognizing that people in disputes cannot always come together, face to face. So when you have an online through, say, a webinar, you're able to have the mediator, the arbitrator, present and have the individuals, wherever they are, be able to see each other but being facilitated by a mediator and have the issues discussed that way. Another way is through telephone use, as well.

We're recognizing more and more that we have to use technology to help people come together. So we are wanting to recommend that we look more into this online dispute resolution platform to help people—especially where you have areas where the owner is not living in that particular community and may be living further away—with the issues between the owner and the tenant, or whatever the situation is. We want to embrace that.

Right now, we presently do that. We have some of our professionals who are doing that, through technology, to help parties come together on an issue.

Mr. Toby Barrett: So it's being used in other areas, then?

Ms. Susette Clunis: Yes, it is.

Mr. Toby Barrett: I think of the Far North. I think of the use of technology—this goes back a number of years now—with Telehealth, for example, and the trust that has been placed in that by people who, oftentimes—it sure

saves them from flying down to Toronto, for one thing. So yes, I find that really interesting.

Do you envision a newly created condominium authority adopting that process? Or is this going to be kind of a system where people do have to go to Toronto and sit through—

Ms. Susette Clunis: It would be great if the process was adopted. Regardless of if it's adopted or not, I think ADR professionals are increasingly getting involved in that platform, because of the distance and just how much easier it is when you're able to bridge the geography with people, using technology.

We would love to see that being embraced as well, because we are very much into relationships and mending those and preventing conflicts. So we're wanting to use technology to advance that.

Mr. Toby Barrett: Is there any evidence of other government agencies already doing this, like WSIB or other groups like that?

Ms. Susette Clunis: I'm not aware. I will look into that. I'm just aware of our own professionals and members doing that.

Mr. Toby Barrett: Thank you very much.

Ms. Susette Clunis: You're welcome.

The Chair (Ms. Soo Wong): Thank you very much for your presentation. If you have any additional submissions, you have until October 29 at 6 p.m. to submit them to the Clerk electronically.

Ms. Susette Clunis: Thank you.

The Chair (Ms. Soo Wong): All right, thank you very much.

Members of the committee, that's the last witness for today, but we have four more next Thursday, October 29, at 9 a.m.

Now, all of you received a letter at the beginning of this afternoon's session from the Financial Accountability Office of Ontario. The officer wrote to us. I believe Mr. Fedeli raised it to my attention, as well as the Clerk, with respect to the timing of the briefing, because we are having hearings here next Thursday, starting at 9.

There is a suggestion, so I want to hear from the committee. The Financial Accountability Office has offered to do a briefing at 8 a.m. next Thursday, to accommodate the member or a designate, if the member cannot be there at 9 a.m. I want to hear from the committee what the desire of the committee is.

Mr. Ballard?

Mr. Chris Ballard: Sorry, Madam Chair. What was the second time—8 a.m. or—

The Chair (Ms. Soo Wong): So 8 a.m. in the morning, or a designate from each of the caucuses to go to the briefing, because we have hearings starting here at 9.

As you probably understand, in the letter, in the second paragraph, he discussed this issue with the Clerk of the Legislature, not the Clerk of the Committee. So this is where the confusion is. There is a conflict here because we have already advertised that, starting next Thursday, we have the second hearing day on Bill 106.

But the Financial Accountability Officer is also asking that if any members from each of the caucuses want to hear the briefing before he goes to the media studio for the presentation of his report at 10 o'clock, there is an opportunity. He's offering either 8 a.m. on Thursday, October 29, or if not 8 a.m., each caucus can have a designated person go to the briefing before 9 o'clock.

Mr. Barrett?

Mr. Toby Barrett: As far as the second option—I mean, there's clearly a miscommunication. They've invited members of this committee for the briefing at 9 a.m., but we're here at 9 a.m. That's fairly simple.

The Chair (Ms. Soo Wong): Yes. They're suggesting—there are two things: either 8 a.m. here in this committee room, or each caucus has a designate and somebody sits here, because we're having a hearing starting at 9. So what is the will of the committee? Mr. Ballard?

1730

Mr. Chris Ballard: There are two issues that I can see. An 8 a.m. briefing is a little difficult for those of us who come from an hour and a half to two hours outside of town. Personally, I don't know who we would appoint from each of the caucuses, but I know that most of us would probably want to be there. This is going to be an important briefing to be at, so I would ask the Clerk—I know we have four people testifying next Thursday at 9. I'd perhaps like to see them move to the afternoon, if we can. Is that something we could ask the Clerk to do, to reschedule them for the afternoon?

The Clerk of the Committee (Mr. Katch Koch): If it is the will of the committee, I could attempt to do that. I don't know if those people are available. Right now, they've been scheduled for next Thursday from 9 until 10.

Mr. Chris Ballard: I would like to see that be the will of the committee, if possible.

The Chair (Ms. Soo Wong): Or can we start at 10 o'clock instead of 9 o'clock?

The Clerk of the Committee (Mr. Katch Koch): No. You have to recess for—

The Chair (Ms. Soo Wong): We have to recess it. Okay. Ms. Fife?

Ms. Catherine Fife: I think that's a good suggestion, if it's possible to move them to 1 o'clock. If not, then—

The Chair (Ms. Soo Wong): Two o'clock.

Ms. Catherine Fife: I'm sorry; 2 o'clock, yes. If not, then we on this side of the House could probably get a designate, because I intend to be at that briefing for 9 o'clock. I agree: 8 o'clock is too early for travelling in. It means a 4:30 leave from Waterloo.

The Chair (Ms. Soo Wong): Okay.

Mr. Toby Barrett: My point was, we didn't double-book. This committee did not double-book. Our deputants coming in did not double-book. I don't know whether there's any flexibility on the part of this organization that double-booked.

The Chair (Ms. Soo Wong): Mr. Clerk?

The Clerk of the Committee (Mr. Katch Koch): If I hear you correctly, I can go ahead and try to reschedule the four presentations next Thursday for the afternoon, and the committee would invite the Financial Accountability Officer to come here to do the briefing.

The Chair (Ms. Soo Wong): Nine o'clock.

Mr. Chris Ballard: For 9 o'clock.

The Clerk of the Committee (Mr. Katch Koch): Is that agreed?

Interjections.

The Chair (Ms. Soo Wong): Yes, yes. Right? Nine o'clock to be here—

Mr. Chris Ballard: Do you need a motion to that effect, Chair?

The Chair (Ms. Soo Wong): No. I think we have agreement. So if that plan is not going through, what is the committee's will?

Mr. Chris Ballard: If we can't get all four, or—

The Chair (Ms. Soo Wong): Yes, all four witnesses—

Mr. Chris Ballard: I'm going to guess that one of the four probably can't come in the afternoon. My sense is that it's important to hear from the Financial Accountability Officer at 9 a.m. for a briefing before he moves on. Regardless, I think we need to have the briefing at 9 o'clock and move as many of those four to the afternoon as possible. They can always give us their written submission.

The Chair (Ms. Soo Wong): Ms. Fife?

Ms. Catherine Fife: As I see it, if we can't move them to 2 o'clock, then we have to see them—this committee does need to sit from 9 until 10 to honour the commitment to the delegations because, as Mr. Barrett has made a point, this isn't the committee's fault. But members of this committee need to get that briefing, so it becomes incumbent on us to get designated people to come to this committee. It's obviously easier for me to do that because I only have one person. But I do think that if the delegations can't come at 2 o'clock, then we have to maintain the fact that we made a commitment and we advertised. So those delegations need to be heard from 9 until 10 in the morning by somebody on Thursday.

The Chair (Ms. Soo Wong): Okay. So what I'm hearing is that the Clerk will contact all four of the witnesses for October 29 and see if there's a possibility to move them to 2 o'clock, and if that's not successful, we will continue to have our 9 o'clock witnesses, and each of the caucuses will send a designate to the briefing.

Mr. Chris Ballard: If I might, Madam Chair, there may be a hybrid solution, which is, we have four people, and maybe two of them or three of them can move to the afternoon and one of them can't, so we could push them off to 9:45 or—depending on when our briefing would end. I imagine it's going to be a half hour or 45 minutes. There may be a hybrid.

The Chair (Ms. Soo Wong): Mr. Barrett, then Ms. Hoggarth.

Mr. Toby Barrett: Just to follow up on Ms. Fife's statement about getting a delegate or a sub or something like that, I just feel that the work of this committee takes precedence. The fact that, I assume, it was advertised in newspapers and deputants have made arrangements—they didn't come today; they're coming this other day. I just feel that this committee takes precedence.

To accommodate that, the other option—if the FAO can't change their time—is that we get delegates to represent us if we have to be here.

The Chair (Ms. Soo Wong): Ms. Hoggarth?

Ms. Ann Hoggarth: I was just going to suggest that we try to move them to the afternoon, to 2 o'clock. If there is, perhaps, one that can't be here, could we not have a phone presentation?

The Chair (Ms. Soo Wong): I'm going to push the envelope a little further and let the Clerk do his magic on this particular request. You have until next week.

The other thing here is, I think what we just witnessed today from this particular letter is that there need to be better communications. There has got to be messaging back to all officers of the Legislature that they need to check with the Clerk of the Committee to make sure—they did check, but not with the committee—that there's no conflict with the time. All three caucuses are interested in attending the briefing and, furthermore, in hearing this report before it goes out to the public. But to be very, very clear: There is a glitch in terms of communication.

Mr. Ballard?

Mr. Chris Ballard: To conclude, Chair: If we can't move the four, we'll have our briefing at 8 o'clock and then move to witnesses at 9 o'clock?

Interjections.

The Chair (Ms. Soo Wong): No, no, no. He can only do one briefing, okay? So the option is to either do the briefing at 8 o'clock, or stay at 9 o'clock and then get the Clerk to reschedule the witnesses to the afternoon on October 29.

Mr. Chris Ballard: He's offering to do the briefing at 8 or 9?

The Chair (Ms. Soo Wong): No, the 9 o'clock is already scheduled. That's what I'm saying.

Mr. Chris Ballard: The committee is scheduled for 9. We're trying to get him to move from 8 to 9, and our witnesses to move from 9 to—

Interjections.

The Chair (Ms. Soo Wong): No, no. He's already scheduled for 9.

Mr. Chris Ballard: Got it.

The Chair (Ms. Soo Wong): Let's be very clear: The Clerk will do his magic to see if we can move all the witnesses to Thursday afternoon, October 29. Failing that, we will have hearings here at 9 o'clock, October 29, and each of the caucuses will have designates go to the briefing with the Financial Accountability Officer.

Any questions? Any comments? Thank you very much. I'm going to adjourn the committee till next week.

The committee adjourned at 1738.

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First Session, 41st Parliament

Assemblée législative de l'Ontario

Première session, 41^e législature

Official Report of Debates (Hansard)

Thursday 29 October 2015

Journal des débats (Hansard)

Jeudi 29 octobre 2015

Standing Committee on Finance and Economic Affairs

Protecting Condominium
Owners Act, 2015

Comité permanent des finances et des affaires économiques

Loi de 2015 sur la protection
des propriétaires
de condominiums



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LEGISLATIVE ASSEMBLY OF ONTARIO

ASSEMBLÉE LÉGISLATIVE DE L'ONTARIO

STANDING COMMITTEE ON
FINANCE AND ECONOMIC AFFAIRSCOMITÉ PERMANENT DES FINANCES
ET DES AFFAIRES ÉCONOMIQUES

Thursday 29 October 2015

Jeudi 29 octobre 2015

*The committee met at 1400 in room 151.*PROTECTING CONDOMINIUM
OWNERS ACT, 2015LOI DE 2015 SUR LA PROTECTION
DES PROPRIÉTAIRES
DE CONDOMINIUMS

Consideration of the following bill:

Bill 106, An Act to amend the Condominium Act, 1998, to enact the Condominium Management Services Act, 2015 and to amend other Acts with respect to condominiums / Projet de loi 106, Loi modifiant la Loi de 1998 sur les condominiums, édictant la Loi de 2015 sur les services de gestion de condominiums et modifiant d'autres lois en ce qui concerne les condominiums.

The Chair (Ms. Soo Wong): Good afternoon, everyone. We are resuming the public hearing on Bill 106, An Act to amend the Condominium Act, 1998, to enact the Condominium Management Services Act, 2015 and to amend other Acts with respect to condominiums.

Let me just do a couple of quick housekeeping things. For the presenters, you have 10 minutes for your presentation, followed by five minutes for questions by the rotating committee members. The last round of questioning—we ended off last Thursday with the official opposition party, so we'll begin with the third party. Then, for any witnesses coming forward: Any written submissions are due today at 6 p.m.

MR. TOM LePAGE

The Chair (Ms. Soo Wong): The first witness coming forward is Tom LePage. Mr. LePage, can you come up and sit at the front here?

Mr. Jim McDonell: Just a question: Who's questioning?

The Chair (Ms. Soo Wong): This round is Mr. Singh for the third party. You guys were the last ones.

Mr. LePage, welcome. Can you please identify yourself or whatever organization you are representing and your position with the organization for the purposes of Hansard? You may begin any time. I will let you know when you're almost at 10 minutes.

Mr. Tom LePage: I appreciate that. Thank you. My name is Tom LePage, and I'm representing myself.

Good morning, Chair and committee members. My name is Tom LePage. I have been in condominium management since my enrolment in a two-year George Brown property management diploma in 1982. Looking back, I wonder where the profession would be if the industry had continued its support for the two-year program.

In today's terms, I would have been considered an independent portfolio condominium provider-manager for the majority of my career, meaning I was personally managing various condominium corporations and shared facilities through my limited company. Today, I consider myself a condominium consultant, another term for the review to figure out. Thank you for this opportunity.

Condominium ownership: In 1967, our province passed condo legislation that allowed for a new kind of real estate ownership in Ontario—condominiums. This concept was sold to the public, including the government, as affordable home ownership with the benefit of a carefree lifestyle since the maintenance and upkeep were done by others. The concept had not been proven and now, some 45 years later, long-term success of condo ownership remains unknown and continues to be a work in progress.

But what we have learned in 45 years is that condominium ownership is unnecessarily complicated; expensive to own—the most expensive manner in which to own real estate; has unlimited financial liability; behaviorally restrictive; now being used as an investment vehicle with significant leverage opportunities; and oversight by an additional level of government—the board.

In the last few years, I've studied condominium ownership in other legislated areas of North America and the world, and regardless where, condominium ownership is difficult.

I'm pleased to report, with no hesitation whatsoever, that Ontario has the best overall legislation, and soon to be even better, thanks to our province's proactive engagement review process of the current Condominium Act and the incredible work of the provincial officials and consultants.

Why so many issues? The simple answer is that there has been zero enforcement—zip. It has been the Wild West since the first condo was registered. The proposed amendments will create two absolutely necessary self-funded, delegated administrative authorities: the condo authority and the condo manager licensing authority. These two authorities are absolutely necessary if we want

to see condominium ownership maintain a strong presence in the real estate landscape of Ontario.

I'm here to express a few concerns, but my number one concern is the influence of non-condo-owner stakeholders' influence on the entire process. There are multiple stakeholders but only one shareholder, the condo owner.

The proposed Protecting Condominium Owners Act is consumer protection legislation for current and future condominium owners and not for the benefit of non-condo-owner stakeholders; in particular, the boards of the Canadian Condominium Institute Toronto and their sidekick, the Association of Condominium Managers of Ontario. I was disappointed but not surprised that these two organizations' boards hired lobbyists at the expense of their members to push their own self-interest agendas. These two organizations have had a combined 70 years to maintain and enhance condominium ownership in Ontario, and instead, in my opinion, they have become no more than very powerful and self-serving marketing and networking organizations, and the interests of condo ownership are secondary.

I am particularly pleased with the proposed attempt to separate CCI and ACMO with the creation of the condo authority and the condo manager licensing authority. Over the years, CCI and ACMO have become intertwined, which I believe has resulted in unhealthy relationships that are not in the best interests of condo ownership.

There is a great possibility that both of the newly created authorities will have similar personas as Tarion if CCI and ACMO and their self-interest influence continue. This would be a disaster for condominium ownership in Ontario. I ask all committee members to continue to work as hard as possible so this process is 100% for the benefit of future and current condo owners and not for the non-owner stakeholders, regardless of their influence and their paid lobbyists.

Upon reading the transcript of the second reading, it appears that you will have your work cut out for you, as it seems lobbyists have already been somewhat effective. There were two particularly disturbing comments which I read. I apologize if I pronounce these names incorrectly.

(1) Mr. Pettapiece commented that the ACMO education program "is a proven system with a high set of standards for condo managers." Not true. It may be according to the board of ACMO, but just ask any condo board member who has been involved with several RCMs or even ask your own manager in private if they feel the RCM designation is proven. In my opinion, the RCM courses are designed not for quality but for quantity, to fill underpaid managers' positions.

A great example of keeping the bar low is ACMO's first basic proposal for licensing an individual: eight hours of instruction prior to passing an exam; theft of under \$1,000 is acceptable; and five years to complete the existing ACMO courses—and this is to enhance the profession. I believe the eight hours is now 40 hours—the same as a security guard—and conviction for theft under \$1,000 is no longer acceptable.

In comparison, an Ontario real estate licence requires 175 hours prior to receiving a licence. In BC, it takes approximately 250 hours through the Sauder School of Business to obtain a condominium manager's licence.

(2) The next comment is particularly disturbing. Mr. Balkissoon stated that "the bad apples we have out there who are condo managers, the ones who create the fraud and everything else that has been going on that condo owners have been complaining about, are not members of that organization," meaning ACMO. With all due respect, the above statement is simply false and misleading.

During the debate, Mr. McDonnell mentioned the most recent publicized alleged fraud in the Hamilton-Burlington area. ACMO's media alert on May 22, 2015, stated: "Neither Brett Leahey nor his company hold membership in the Association of Condominium Managers of Ontario, nor does Mr. Leahey hold the recognized RCM (registered condominium manager) designation."

While it is technically true that Mr. Leahey was not a member on May 22, the alert failed to mention that during 2012, when the alleged frauds were occurring, he was a member of ACMO as a registered condominium manager.

The 2011 high-profile fraud case involving \$20 million—it could be North America's largest condo fraud: That was an owner of an ACMO 2000 certified company.

There are many other examples of improprieties of members of ACMO.

And that's it. I've cut that quickly and I've handed out some other issues that I'd like to bring to your attention, but for later reading.

The Chair (Ms. Soo Wong): Okay. Thank you very much, Mr. LePage. Let me ask Mr. Singh to begin the questioning.

Mr. Jagmeet Singh: Sure. What do you think would be the best way, then, to ensure that we have a better system when it comes to condominium management? From your personal experience, what would you say are some of the strategies that we can implement?

1410

Mr. Tom LePage: Well, if you go back to 1982, we had a two-year diploma course and it's quite sad that, somehow, that got dropped. I did that two-year course before I stepped in the door of a condominium. Even with that, I felt under-qualified—you know, just more scared than under-qualified.

Education: We have to learn. The two authorities are going to be great; I just don't want to see ACMO continuing to state they're partnering with the government. They said that in their last alert. I hope that's not the case. I think you'd want independent education, just like the realtors.

One of my items was that, rather than this new authority, it would have been a good idea to just have RECO. RECO is a proven authority. An extra 3,000 members on a 50,000-member thing would have been easy, and they're proven. I think they have done a very, very good jobs being regulators.

Mr. Jagmeet Singh: Okay. Anything else with respect to ensuring that there is more accountability for condominium owners, so that they can feel that they have more security or more sense of trust in the system that they're getting involved in?

Mr. Tom LePage: Well, that's a loaded question. I think that's what we're all working on right now, what the government officials are working on, and I think that we're coming a great way. We are very fortunate in Ontario. We're doing well.

Mr. Jagmeet Singh: If you could highlight one specific area—you mentioned, in general, that condominium ownership is complicated and expensive. What is one specific area you think that we can improve in the overall, broad kind of thing that you mentioned, the issues that you have? What's one specific thing you think we could tackle and we'd immediately improve?

Mr. Tom LePage: Transparency.

Mr. Jagmeet Singh: Transparency?

Mr. Tom LePage: Forcing transparency.

Mr. Jagmeet Singh: Okay. And in what regard?

Mr. Tom LePage: Regarding everything about the condominiums.

Mr. Jagmeet Singh: Okay. Top to bottom.

Mr. Tom LePage: Reserve funds: If someone wants to see the full copy of the reserve fund study—in my whole career, I've never asked a board member; we just sent them to them. There was no need. Now, there are situations where things are getting out of hand. I think that's what we have to pull back in.

Mr. Jagmeet Singh: Okay. Any other areas where you think transparency would help a lot? Any other areas that you think we could improve in terms of transparency? This is the reserve fund area.

Mr. Tom LePage: Reserve fund is a huge area. Minutes, everything.

Homeowners are members. For some reason, over the years, we've separated board members and homeowners. A board member is a homeowner. I don't know if it's outside forces, meaning condominium lawyers or property management, but they're separating them: them and us. That doesn't work for a community. It has to be one.

It's a long haul. This concept of lifestyle hasn't been proven yet. If we look at the history of co-ops—lawyers will have a heyday when I say this, but basically, it's the same thing. The only difference is basically financing: in a co-op, you couldn't get a typical mortgage. But other than that, the lifestyle in the co-operative community was the same and it didn't work. Right now, I'm questioning if condominiums' long-term success will work. It should.

Mr. Jagmeet Singh: Okay. How much more time do I have?

The Chair (Ms. Soo Wong): You've got two minutes left.

Mr. Jagmeet Singh: Perfect.

One of the issues that has come up again, and you mentioned it, was the issue around potential fraud when it comes to the use or misuse of the resources that are

available for a condominium. What are some other ways that you think we could prevent some of those abuses from happening?

Mr. Tom LePage: In the handout that I handed out, one particularly disturbing aspect, which I've been trying to solve, is that ACMO engages and organizes what I consider poorly paid property managers, and trades for after-night socials. This is a disaster. There's no good about it. There's nothing that will come out of that, and that bothers me tremendously. ACMO is not doing anything for the perception of conflict.

Mr. Jagmeet Singh: One area that is left out of this bill that many folks have complained about—it's not limited to condominiums; it's new homeowners in general—is Tarion and some of the issues that people have with getting their warranty issues dealt with, getting their payments. It seems that Tarion is creating barriers or obstacles to claims. Have you noticed any of these issues?

Mr. Tom LePage: I come from Collingwood, and my involvement with Tarion is very, very limited—

The Chair (Ms. Soo Wong): Mr. LePage, I'm very sorry to interrupt, but your time is up. Thank you for your presentation and your written submission.

Mr. Tom LePage: Thank you.

MS. ANA MARTINS

The Chair (Ms. Soo Wong): The next witness who is before us is coming through from teleconferencing. I believe we have Ms. Martins on the phone?

Ms. Ana Martins: Yes.

The Chair (Ms. Soo Wong): Good afternoon.

Ms. Ana Martins: Good afternoon.

The Chair (Ms. Soo Wong): Thank you so much for accommodating the committee. I understand that you were able to join us this afternoon by phone, so thank you for accommodating the committee for this morning.

As you've probably heard, you have 10 minutes for your presentation, followed by five minutes of questioning. This round of questioning will be from the government side.

You may begin at any time. Please identify yourself for the purposes of Hansard, okay?

Ms. Ana Martins: Sure. Ana Martins.

The Chair (Ms. Soo Wong): Oh, you know what? The Clerk just reminded me that I need to introduce you who is in the room. On the government side, we have Eleanor McMahon, Chris Ballard, Ann Hoggarth, Peter Milczyn and Daene Vernile; from the official opposition, Toby Barrett and Jim McDonnell; and the third party is Jagmeet Singh. We have the Clerk here, Katch Koch.

Anyway, Ms. Martins, you may begin any time.

Ms. Ana Martins: Okay. My name is Ana Martins and I'm representing myself. I want to thank the committee for giving me this opportunity to speak to you.

Two and a half years ago, I was elected to the board of directors in my Mississauga condominium. It is an older building, consisting mainly of owner-residents. The

owners had suspicions that the condo was not being managed as well as it should have been. The superintendent was confrontational but the manager and the board would not deal with him. The vice-president of the management company chaired the AGMs and he was rude and condescending towards the owners. Owners stopped complaining to the manager and stopped going to the AGMs because their concerns were being ignored.

When I went on the board, the other directors made it clear that they resented me being there. I had trouble seeing records. My questions were not answered. Several times, I almost quit. Later I discovered that the property manager, an RCM who worked for an ACO 2000-affiliated management company, was giving as many contracts as she could to her boyfriend's contracting company. The other directors knew this but they had hidden this serious conflict of interest from me. What's worse is that much of the work that was done was of poor quality and three years later, some of this expensive work has to be redone.

The management company and the board tried to have a new bylaw package passed by the owners that would have made it easy for a majority on the board to remove any director they did not like. It would also have made it extremely difficult for the owners to organize in order to run a slate of candidates to challenge the incumbents. I have included parts of that bylaw package at the back of my notes.

At this year's AGM, the majority of the board changed. I am now the president. As the new directors went through the financial records and the written contracts, we were very surprised at how poorly our condo was managed and that we have serious financial difficulties. In response, we have replaced the property management company and some of our major contractors.

We are holding owner information meetings and encouraging the owners to participate in the condo's affairs. We are explaining the budget to them, in detail, and telling them how their money is being spent. We are encouraging them to tell us about the problems they have so we can determine how serious they are and how much it will cost to make the necessary repairs.

All of this may seem very basic to you, but believe me, it isn't. Too many condo property managers and directors want to keep secrets from the owners. As I talk to other directors from other condos, I find that corruption is a big problem, along with entrenched boards, rude managers and a general contempt towards the owners.

This is information that I did not learn at the CCI education course that I took. The truth is that owners cannot understand their AGM packages and the auditors and condo lawyers are far more interested in keeping their contracts than they are in looking after the owners' best interests.

Another concern is that condo residents need to understand that condo ownership is not a carefree lifestyle and that they need to get involved in their condo's affairs and learn everything they need to become

informed owners and therefore better able to elect competent directors to run their corporations.

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I wish I had the answers to all these problems, but I don't. However, I believe that it's important for you to know that special interest groups that claim to be condo experts are as much part of the problem as they could be part of the solution.

Thank you for your time.

The Chair (Ms. Soo Wong): Thank you very much, Ms. Martins. I'm going to turn to the government side. Mr. Ballard, you may begin the questioning.

Mr. Chris Ballard: Thank you very much, Ms. Martins, for coming forward with your presentation. I especially like the written submission you made, because you provide very detailed examples of what your concerns are. I think that's important to us as government goes ahead, in future designing and writing the regulations.

I just wanted to say that the Protecting Condominium Owners Act aims to improve protection for the 1.3 million Ontarians who live in condos. The themes that you raised today, those of clarity and transparency, I think were echoed in some of the 2,200 submissions that were submitted to us when we were working our way through these revisions.

If there was one priority that you think we need to focus on, what would the one single priority be within the proposed legislation?

Ms. Ana Martins: I believe that boards of directors need to have knowledge. This is what I'm finding out. Even when I went on the board as a director, I did not have—I had a little bit of knowledge, but not too much, and thinking that the old directors will guide me and help me along the way. It got to the other end. I was stopped from learning. I was stopped from finding out the records, how to read the records, and everything else. I believe the directors, even though they are owners, need to be trained too and have a little guide to follow. That was my first thing: "Where's the guide for me to follow?" And I was told, "You will learn by the seat of your pants." And I'm saying, "Okay, but I need a little bit of guidance"—"Don't worry. Everything is taken care of."

It wasn't until now, on July 7, that I was re-elected and elected as the president, that now I'm finding all kinds of—everything wrong, from financials to minutes to contractors to even the previous property manager, with the contracts with the boyfriend. Even though I was on the board, I did not know that.

Mr. Chris Ballard: I think one of the things we're looking forward to, and I know a number of the 2,200 people who submitted—there were concerns around governance, and so the proposed legislation speaks to creating those new governance requirements for condo boards and some fundamental education about how boards operate, so that condo board members can better reflect the interests of their owners. Is that heading in the right direction?

Ms. Ana Martins: Yes. We do need the boards of directors to have a little bit of knowledge in order to better direct the owners and not condescend to them, because what they were doing was shutting everybody out. We had to knock on doors in order to have an AGM, because we didn't have proxies or owners.

Mr. Chris Ballard: Yes, that's a story we've heard too many times.

Ms. Ana Martins: And now, since the new board, we have majority, and the learning—we are teaching the owners how to read the financials, how to read the minutes, how the decisions are made. We ran out of chairs.

Mr. Chris Ballard: Right. One of the other key parts of this new proposed legislation is the proposal to require that condominium managers be licensed, so not only that they take a training course somewhere but that they be licensed and then be held more accountable, I suppose.

Ms. Ana Martins: Like the gentleman before me.

Mr. Chris Ballard: What's your sense of that?

Ms. Ana Martins: Yes, they do. They need to be licensed, fully licensed, and it's not just, like the other gentleman said, an eight-hour course, because in eight hours you can't learn everything. And the managers have to have transparency toward the board and toward the owners, and not, when an owner comes, to say, "Well, if you don't like it, then sell and go out."

The Chair (Ms. Soo Wong): Ms. Martins, I'm going to stop you here. Thank you for joining us this afternoon and also for your written submission.

Ms. Ana Martins: Thank you very much.

The Chair (Ms. Soo Wong): Have a good afternoon.

Ms. Ana Martins: You too.

HORLICK LEVITT Di LELLA

The Chair (Ms. Soo Wong): The next witness coming before us is Mr. Brian Horlick, from Horlick Levitt Di Lella LLP Barristers and Solicitors. Mr. Horlick, come down. Welcome.

Mr. Brian Horlick: Thank you very much.

The Chair (Ms. Soo Wong): As you've heard, you have 10 minutes for your presentation, followed by five minutes of questioning. This round of questioning will begin with the official opposition party. You may begin at any time. When you begin, could you please identify yourself and your position with your firm.

Mr. Brian Horlick: My name is Brian Horlick. I am a senior partner at Horlick Levitt Di Lella condominium law firm. I want to thank everybody for having me out today, and I tell you, sitting back there, I am starting to get a complex.

I have just a few things I would like to go through. These are the issues that I'd like to discuss.

Code of ethics: Clause 29(2)(e) of the proposed amendments deals with training as a qualification for directors. This clause, however, is silent with respect to any requirement for board members to be subject to a code of ethics. Condominium management providers and

condominium managers will now be subject to a code of ethics. However, those whom they take instructions from will not be so subject.

The Condominium Management Services Act proposes the drafting of a code of ethics for licensees. Under the Condominium Act, the board of directors is given the power to manage the affairs of the corporation. The corporation's operating bylaw will normally allow for delegation of certain management functions to a licensee.

Recommendation: a requirement for directors to be subject to a minimum code of ethics that should be part of the qualifications required to be a director.

Requisitions for meetings—issue: In the case of a requisition where the board has responded stating that it will not call and hold a meeting of owners, proposed amendment 46(13) allows for the requisitionists to revise the requisition. Owners who sign a requisition do so for a particular purpose, as set out in proposed amendment 46(4).

Our recommendation: Care should be taken with respect to permitted revisions surrounding the purpose of the meeting. Revisions to the requisition that change the purpose of the meeting or are otherwise material should be excluded from the proposed amendment, subsection 46(13).

Now, one of my favourite topics, proxies: Under the existing Condominium Act, subsection 52(1) allows votes to be cast either personally or by proxy. Due to the lack of in-person attendance by owners at meetings, the use of proxies has become necessary. This has led to a number of unfortunate abuses, such as:

- the filling in of the date and time of signature on the proxy by the donee of the proxy so as to invalidate a later proxy submitted by the donor;

- the signing by the donor of the proxy of pre-populated proxies in cases where the donor has not read or understood the nature of the proxy;

- the use of pressure or undue influence to obtain a proxy;

- the submission of proxies where the donor signature has been forged; and

- the submission of large numbers of proxies at meetings just prior to the close of registration.

Our recommendations: Proxies should be submitted by donors directly to the management office. Thought should also be given as to whether proxies should be submitted directly to the management office or to whoever is chairing that meeting.

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Donors should be required to place their signatures next to all areas on the proxy that require a vote.

Proxies should be subject to submission deadlines, as set out in the notice of meeting, which would allow for proper scrutiny by meeting registrars and/or chairpersons.

Further, on proxies, proposed amendment 52(4) requires proxies to be in the prescribed form.

We recommend that, given the proxy is a legal document, the amendments should be set out, and there should be mandatory minimum requirements for content, but a

prescribed form should not be mandatory, similar to the condo act presently, in section 52(6), where it is only prescribed that you “may” have a certain form.

Minimum requirements would allow for flexibility in the drafting of proxies, which is needed due to the various different types of meetings and the differing matters being voted on at those meetings.

Another favourite topic: fines. Proposed amendment number 17 states the corporation shall not levy any penalty, fine or any other amount against an owner, an occupier of a unit etc., if it does not indemnify or compensate the corporation for an actual loss that the corporation has incurred.

We recommend that actual loss should include time spent by salaried employees in rectifying any damage caused by the owner and/or occupier.

For example, if you have a salaried superintendent, and the owner or occupier has caused damage, you should be able to say, “Our superintendent spent three hours of his time cleaning up the issue or the mess created by the occupier. We should, as a condo corporation, be allowed to charge back that amount, even though we, the condo corporation, did not get a bill from the superintendent, because he is a salaried person.”

Next we have the borrowing bylaw. Proposed amendment 56(3) prohibits the borrowing of money by a corporation unless it has passed a bylaw specifically authorizing the borrowing, or unless provided for in the regulations.

Presently, as the law exists today, a corporation may borrow money using a general borrowing bylaw for expenditures set out in its operating budget. Most general bylaws are capped in amounts. Given the difficulty in obtaining over 50% of unit owners to vote in person and/or proxy in favour of bylaws, corporations may be hard struck to borrow even nominal amounts.

Our recommendation: The section as set out in the existing Condominium Act should stay as is.

Finally, telephone conference: Proposed amendment 35(5) allows a meeting of directors to be held by telephone conference if all directors of the corporation consent to the means used for holding the meeting.

Our position is that one or more directors should not have the ability to prohibit attendance by another director at the meeting. In other words, the recommendation is that consent of directors should not be required for attendance at a meeting of directors by telephone conference.

The Chair (Ms. Soo Wong): All right. Are you done, Mr. Horlick?

Mr. Brian Horlick: Thank you.

The Chair (Ms. Soo Wong): Okay. I’m going to turn to the official opposition. Mr. McDonell, are you going to begin?

Mr. Jim McDonell: Thanks for coming out today. What is your experience with condominiums? Are you an owner, or is it just through your legal—

Mr. Brian Horlick: I am a lawyer practising 25 years, specializing in condominium law for the last 15 to 18 years.

Mr. Jim McDonell: Okay. What would your priorities be as far as the asks that you have here? Is there any particular one that you see standing out?

Mr. Brian Horlick: I’m going to say that the two most important things in my list would be a code of ethics for board members and the use of proxies. I say those because we’re looking today at property managers and licensees. We’re saying that they’re going to be subject to a code of ethics. There are going to be hearings. If they breach the code of ethics, they can lose their licence—whether it’s the condominium manager or the principal condominium manager.

But we also need to take a step back and say, “Is that the potential problem that we face in condominiums or is there a greater problem?” I think that you need to look at directors’ behaviour as well. What you have, as in many cases in life, is a certain grouping of bad apples affecting the whole bushel, so it’s the bad apples. Whether they are property managers or management companies or directors, we need to upgrade the playing field.

Mr. Jim McDonell: Can you highlight any examples you have with some of the boards and what you’re talking about?

Mr. Brian Horlick: Well, board members can go their own way. They can totally work without the property manager. They can get different types of contracts in for a specific job. They get all the pricing, and all of a sudden it goes to somebody’s brother, it goes to somebody’s cousin. That, to me, would be a breach of ethics.

You’ve got section 40 of the existing Condominium Act, which talks about disclosure if you have a material interest in a material contract or transaction, but that section usually deals with if you’re going to get money back. But if you’re not going to get money back and you’ve given it to your brother—it’s his company, not yours—or you’ve given it to your son, well, there’s an issue there that should be dealt with in the larger code of ethics, which would be more encompassing than just section 40.

The bottom line is, if there’s a breach in the code of ethics, and there’s any type of financial issues involved—and I’m not saying directly to the board member, but if there’s anything where a contract is not tendered in a fair manner, if the price is not competitive in a fair manner, it is the poor owners who end up paying in the end. You cannot pay for anything more than the market value, unless someone’s paying for it. And who would that be? It has to be the owners. So we want to clean up everything, and I think now is the opportune time to do that.

Mr. Jim McDonell: You talk about proxies. Is there a way of making proxies work? They just seem to be an issue every time they—

Mr. Brian Horlick: I will start off by saying that proxies are a necessary evil. They’re evil, yes, because of all the things I said, and they’re necessary because otherwise you can’t get enough people out to have a quorum. So I feel that by having the proxies delivered directly, either to the management office or the management company or to the chairperson, it takes the proxies out of

the hands of the people knocking on the door, trying to intimidate you to give the proxy, telling you things about the proxy that aren't so so that you don't know what you're signing—all of the intimidation factors.

I can tell you as a lawyer, chairing the meeting that's going to—registration's going from 6:30 to 7; the meeting starts at 7. I will tell you that in a contested meeting, at two minutes to 7, I get 65 proxies come in right there. I've got to review those proxies to make sure that they're valid. It's a very difficult situation. The owners are waiting for the meeting to begin, and I'm sitting there with 65 proxies that I have to review to make sure they're valid. By the way, they're all dated at 6:59, the date of the meeting. So you know why that is.

The Chair (Ms. Soo Wong): Okay, Mr. Horlick. Thank you very much for your presentation and your—

Mr. Brian Horlick: I was just warming up.

I want to thank you for having me.

The Chair (Ms. Soo Wong): Thank you very much. We really appreciate it.

MS. RADHA NAGARAJAH

The Chair (Ms. Soo Wong): The next witness before us is, I believe, Radha Nagarajah. You can introduce yourself. Welcome. Good afternoon. Please have a seat. As you probably heard, you have 10 minutes for your presentation, followed by five minutes of questioning. This round of questions will come from Mr. Singh from the official third party. You may begin any time. Please identify yourself for the purpose of Hansard. Thank you. 1440

Ms. Radha Nagarajah: My name is Radha Nagarajah. I'm here to speak as a condo owner who is concerned about the manner in which the corporation is run by the board of directors and the management company.

I live in a condo in south Brampton, where the average age of homeowners is approximately 75 plus. I am a realtor by profession and, due to my profession, I am exposed to facts and figures that most homeowners are not privy to. I ask questions and speak on behalf of many seniors who are my friends and neighbours.

I have been targeted, harassed, defamed and slapped with lawyers' letters, which the homeowners pay for. The seniors are too afraid to complain and are bullied into submission and are exploited by the president of the board and the management company. In fact, the president of the board suggested that I crawl back to the Third World country I came from. I have an affidavit to substantiate that statement.

A quick synopsis of the building: It is 27 years old, with 137 units. Therefore, everybody knows the other people's business, because it is an extremely small community. I pay a maintenance fee of \$848.12 per month for a 1,237-square-foot condo consisting of a single bedroom, a den and a solarium.

My fees are approximately \$170 to \$190 per month higher in comparison to buildings built at the same time

in the same area but with different managements. Our property value, comparatively, is approximately \$25,000 lower. The reason is that the other buildings are well managed with a stable board of directors who act in the best interests of the stakeholders.

We had four board members resign in the past 18 months and were left with just two members, who did the bidding of the president of the board, with a grand total of three board members leading up to the AGM held on September 15, 2015. The AGM was a farce. Vendors of the management company were invited to attend the AGM, including three individuals from the security company. When we objected, we were advised that they were guests of the board of directors and that they were staying.

Proxies: During the last two AGMs, the president of the board canvassed door to door. She intimidated and lied to the seniors, indicating that they could sign two proxies. Unfortunately, some of them did and, in turn, made the original proxies, which were obtained legally, void. She lied, spread false rumours and defamed candidates who she did not want on the board, of course.

This year, a candidate who had two accounting degrees—who, in our opinion, was the best candidate—was instructed, in writing, not to distribute any literature about his credentials. However, the president went door to door, knocking, and used her access to the contact information of the homeowners to call and email them, requesting their proxies. This unethical behaviour was condoned by the other two members.

Reserve fund: One of the main concerns is the reserve fund and the study which was supposed to have been done after three years, as per the Condominium Act. The last one was done in March 2012. The auditor's report supplied for the AGM in September indicated that the study was not done as per the Condominium Act.

At the meeting, I questioned the owner of the management company, who was also the chair, about compliance to subsection 94(9), and the response was that the study was completed and approved and that we would receive form 15 within two weeks. To date, over five weeks later, we have not received same.

When I questioned about subsection 137(2), the penalty for non-compliance, both the chair and the corporation lawyer scoffed at me, saying that there was a lack of enforcement of the act and there was no accountability and no reporting process. Therefore, we should not be concerned about the depreciation of our properties. To their knowledge, nobody had been fined the \$25,000 to date, as per the provincial law, for non-compliance.

When questioned about Bill 106, the response from the lawyer was that it does not have any bearing, as the passing of the bill was so many years away, similar to the last time, in 2001, where it took three years. I found his response rather flippant. I am afraid that, down the road, we would face a special assessment, due to irresponsible spending, lack of transparency and accountability.

Contracts are awarded without the proper tender process. Please see exhibit A—with respect to the exhibits, I

do have a package that I can give you—for an example re the security contract. The management is not consistent in procedures, and some current contracts are automatically renewed. A board member who resigned in May, after three months on the board, indicated that after witnessing and subsequently investigating the award of a contract, he was advised by his lawyer to resign.

A personal attack on me and the detrimental results: In July of this year, while I was nursing my younger sister, who was in a diabetic coma for 21 days prior to passing away, I was slapped with a vindictive and harassing letter by the newly appointed corporation lawyer, accusing me of actions without any form of proof. I requested them to substantiate the accusations, and I have not received a response to date. The ongoing harassment and defamation has caused me stress and depression, and my doctor has advised me to take a leave of absence from my career for a couple of months and postpone all scheduled exams that I'm working on towards obtaining my broker's licence. This, in turn, will affect me financially as I am single and I support myself.

Attached are two letters I received from two different lawyers and my response, for your perusal, which I will submit if you request—exhibits B, C and D—and two memos referred to in the lawyer's letter—exhibits E and F. I have also attached the letter sent by the security company, again accusing me of various deeds without an ounce of proof, and my response—exhibits G and H. I don't generally receive any responses to my letters to the board and management, hence the reminders.

Attached are also two affidavits and letters from past security personnel, confirming that I was targeted and my privacy invaded—exhibits I and J. My every move was monitored via CCTV and scrutinized by the president and the management company. They said that they followed the instructions as they feared job loss, as they are visible minorities, immigrants and seniors. I encourage people to enhance their lives and continue upgrading themselves, hence my interaction with people. The security personnel were instructed not to interact with me.

Views/facts about the board: The president of the board considers addressing homeowners' issues a favour. She makes it known that when the favour is granted, their support is imperative. The board members who toe the line are gifted with their requests: two newly renovated gyms, which we can ill afford, because a board member uses the gyms on a regular basis; revitalization of an indoor golf range, which was not in use for over seven years due to the very high cost of maintenance and the renovations required. A current board member is an avid golfer, hence the commencement of the project. Again, we can ill afford it. A board member who served as a president prior to the current president was harassed and bullied, and she finally resigned from the board in July of this year. She now experiences symptoms of PTSD.

Summary: The current act is far too loose and lacks accountability. The only viable option currently is to take the parties to court. This would be an expensive affair.

Property managers are currently not regulated, and at this point regulation is vital. I would like to say in capitals: It should be mandatory for all members of the board to attend courses to educate themselves. In addition, we would like to see a supervisory body or an arbitrator appointed who would oversee the conduct of the boards, the management companies, corporation lawyers and accountants. The act says absolutely nothing about corporation lawyers who side with boards and managers who pit against good homeowners and bully us, which, in turn, costs us our mental and physical health. Is this fair in the democratic country that we live in?

Thank you for your time.

The Chair (Ms. Soo Wong): Thank you very much. I'm going to turn to Mr. Singh to begin this round of questioning.

Mr. Jagmeet Singh: Thank you so much for sharing your story. I know it's very difficult to do so, so I want to commend you on your courage to share your experiences. To do so, I think you're not only sharing your own experiences, but you're ensuring that these types of things don't happen to anyone else. I think that's why it takes a lot of courage.

Just to turn your mind to some of the issues: One of the things that's proposed by this bill is the creation of a mechanism to resolve disputes. It's one of the issues that has come up time and time again. You mentioned that going to court is very costly. Does this tribunal that's being sought to be established—would that satisfy your concerns or do you think it's too limited because it doesn't allow enough—it's limited in who can be brought to this type of tribunal. Do you have any thoughts on that?

Ms. Radha Nagarajah: Yes. As long as they're impartial. I think you should also expand the limitations so that even single homeowners do have access. You follow a certain procedure and then you have access to the tribunal as well. I believe that it should be an open forum, basically.

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Mr. Jagmeet Singh: Sure. In your experience, if you wanted to bring someone to court, who would you be wanting to bring to court? Who is your grievance or your concern with normally? Is it with the condominium board? Is it with the developer? Who are your issues normally with?

Ms. Radha Nagarajah: In my personal case?

Mr. Jagmeet Singh: Yes.

Ms. Radha Nagarajah: In my condominium, I think it's one individual who rules the roost, basically, number one. Number two is the property managers. They condone everything she says, for obvious reasons.

I mentioned two lawyers. The first lawyer subsequently realized that I was being targeted personally and refused to send the last letter that I received, which was terrible. So they hired a new lawyer. I think the lawyers also have to be accountable.

Mr. Jagmeet Singh: Okay. I meant systemically. The issue is normally with the condominium board itself. I think that's what you're saying.

Ms. Radha Nagarajah: Yes.

Mr. Jagmeet Singh: Okay. As someone who lives in a condominium, what are other things that you would like to see happen to make it so that your interactions with the condominium or the board are more transparent, or just to make it better? What would you suggest in terms of us implementing right now in this bill? What would be some additions that you'd like to see happen?

Ms. Radha Nagarajah: That they basically adhere to—some of the clauses in the old Condominium Act are there—

Mr. Jagmeet Singh: But the enforcement isn't there.

Ms. Radha Nagarajah: —except that it's not being followed, period. So if the arbitrator can ensure—if a board can—

Mr. Jagmeet Singh: The compliance—so if there is a decision made—

Ms. Radha Nagarajah: Yes, ensure that compliance is there. Then I think we should be able to circumvent.

Mr. Jagmeet Singh: Okay. So one would be that there is existing protection but it's not being enforced.

Ms. Radha Nagarajah: Correct.

Mr. Jagmeet Singh: So, to make those existing laws or protections meaningful, they need to be enforced. That's one?

Ms. Radha Nagarajah: Correct, because right now, with respect to accountability and transparency, there's nothing, and there is nobody that the common man can go to. That is important.

Mr. Jagmeet Singh: Okay. In terms of specific accountability or transparency things, what are the things you'd like to see as a condominium owner? What would you like to be able to have access to?

Ms. Radha Nagarajah: The minutes, without having to pay 30 cents a copy for three lines—which is already, as I said, in the Condominium Act; you have to go through an entire process, and then to not give you, like—and also access to contracts, if necessary. If you are able to read a contract, and I think if you request a copy of a contract, or even to view the contract, you should have access to that. Right now, in our place, we don't have access, and they will find a reason not to give it to you, saying that, "Because of your conduct, we have decided not to give it to you." Now that shouldn't be allowed. They have broken the law.

Mr. Jagmeet Singh: It should never happen. Exactly. Okay. Access to the contracts, access to the minutes of the board meetings: Those are things that you'd like to see, and without a cost, because if there's access but it's dependent on a fee, that's going to limit people from being able to access those things.

Ms. Radha Nagarajah: Especially if you're living in a place where there is a high percentage of seniors who are on a limited income. A minimum cost is fine. Now, 30 cents a copy with four lines in it, I think, is ludicrous. You have to pay—everything costs money—if you can pay, but then not exorbitant rates where they say, "You have to pay for the person who's photocopying at the rate of \$30 an hour."

Mr. Jagmeet Singh: Yes. If it was made available online, then there wouldn't be a need to photocopy.

Ms. Radha Nagarajah: Absolutely. That would be just fantastic. The minutes online would be just fantastic.

Mr. Jagmeet Singh: Okay. Any other specific recommendations that you have, as a condominium owner, things that come up where you could see an immediate solution, that if this was included in this bill, we'd be able to improve your life or—

Ms. Radha Nagarajah: If they follow the code of ethics, and if they're honest with respect to the granting of the contracts and are very financially savvy—basically, education of the board members. That's not there right now.

Mr. Jagmeet Singh: Okay. There's a proposal now with this bill that there would be an education framework laid out by the condominium authority. Do you think that would satisfy your concerns, or would you like to see something more than that?

Ms. Radha Nagarajah: No, no, absolutely. As long as the board of directors are educated and they know what they're stepping into, as opposed to saying, "Okay, I play golf." One of the board members got in and said, "I can barbecue very well," so he was appointed as a board member. I don't know who he was planning to barbecue, but bottom line, that's what he said and he was appointed. As I said, looking at the high percentage of seniors—they said, "Oh, he can barbecue. Good. We can have"—that was it.

Mr. Jagmeet Singh: Those shouldn't be the criteria.

Ms. Radha Nagarajah: No. In addition to that, the property managers should go through a very comprehensive training program. Right now, I believe that they open a door and say, "Okay, do you want to be a property manager? Come on in. You can walk away with \$80,000-plus." That shouldn't be the case.

I'm a realtor. I study at least eight hours a day for me to go in for an exam—a minimum of eight hours a day. My basic exam is 18 months, and I studied quite a bit to get that degree. I don't think anybody should open the door and say, "Okay, come on in. You want to earn \$80,000? Come in." I don't think that should be the case. They should be educated.

The Chair (Ms. Soo Wong): All right. Thank you very much, Ms. Nagarajah.

Ms. Radha Nagarajah: Thank you so much for having me.

The Chair (Ms. Soo Wong): Thank you very much. Thank you for your written submission as well.

MR. TIM HAGERTY

The Chair (Ms. Soo Wong): The next witness before the committee is Tim Hagerty.

Mr. Hagerty, are you here? Welcome. As you have probably heard, you have 10 minutes for your presentation, followed by five minutes of questioning. In this round, questioning will be coming from the government side. Do you have any handouts for the committee?

Mr. Tim Hagerty: I do. I'm just—

The Chair (Ms. Soo Wong): The Clerk is coming around to pick it up from you. I'm going to let you give it to him.

Mr. Tim Hagerty: There are a few different handouts for you. One is a publication from CMHC. There is an excerpt from—oh, sorry.

The Chair (Ms. Soo Wong): Mr. Hagerty, when you begin, can you please identify yourself and what organization—or if you are just an individual coming before the committee—for the purposes of Hansard?

Mr. Tim Hagerty: I would be happy to.

The Chair (Ms. Soo Wong): Thank you.

Mr. Tim Hagerty: My name is Tim Hagerty. I am a professional engineer practising in Ontario. I live in Ottawa and I'm coming at this from a few different perspectives. One is as a condominium owner; another one is as a professional engineer. Also, with my work, we work very, very closely with architects and with the building code. My brief presentation here is just to ask that in the new act, some of the inter-relating components may be considered. Having reviewed the proposed act, it seems that they may not have been fully considered—and some of the ramifications.

I would like to say, first off, thank you, just because coming from the acts that were in the 1970s, the Condominium Act in the 1980s and what was done in 1998, this step forward is a tremendous benefit to owners. So thank you for that. But in one aspect, again, coming at this from a professional perspective, there is something still that may not be the best approach that has been taken, and that is in consideration of item 86 that you have for the proposal. It's to revise sections 97 and 98 of the Condominium Act, which relate to modifications that would be made.

The reason that I might say that this approach might not be the best is not all-encompassing, but there's one clause in section 98 where it requires the services of an engineer to be provided. This requirement is really, really good in many circumstances where you have, say in Toronto, high-rise buildings that are absolutely massive and it takes somebody with quite a bit of experience to understand the building, its structure—you don't want somebody in there just making a change. However, there are many condominiums that don't fit that high-rise structure, and there are many other options available to owners that aren't in a condominium. Also, there is, you might say, an apparent conflict between the Building Code Act, the Professional Engineers Act and the Architects Act.

I'm just here to kind of present these to you. You will obviously be able to review that and go through it. The reason that this came to my attention is because of a division in the regional court in 2009. There is a provision in the Building Code Act that mandated that engineers and architects have certain roles. This was challenged and it was found that the provisions in the Building Code Act did not actually match the Professional Engineers Act or

the Architects Act. It was overruled because the other acts took precedence in that situation.

In a similar way, it might be that the Condominium Act, though it has great intentions and is doing a wonderful benefit to owners, might not have been constructed in a way that is congruent with the other acts. So what I've done for you is that I've printed out copies of the Professional Engineers Act and the Architects Act. In the Architects Act, it's section 11 where it has a list of building types where an architect is required to provide services. Similarly, in the Professional Engineers Act, I've copied section 12 for you, where the requirements for professional engineers are brought forward. Within both of those sections, there are exceptions to when services are required and there is also a structure for rules between the collaboration of engineers and architects and who takes on what role in what type of building.

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I'll not bore you with going into all the details of that; we only have a short amount of time. I'll leave that for your review. But what this would mean, in some situations in buildings, is that there may be an over-requirement for engineers, where the tasks should actually be given, preferentially, to an architect, or in other building structures, where it's a requirement that both work together. In the act, I only see the word "engineer," and it seems like this could be streamlined a little to balance this out.

In addition to that, in some buildings, this may have the effect of creating an over-requirement where, in a row house condominium, the Architects Act and the Professional Engineers Act and the Building Code Act exempt the structures from being reviewed by either a professional engineer or an architect. The building code allows for other designers who can take on these design roles in certain circumstances. Generally, it has to do with the building height and the building area.

As we review and as we look at the many various types of condominiums, I think it's a healthy thing to look at what would be legislated and make sure that it matches what is permissible by other acts and, also, that it's done in the best interests of the owners. Because, at the end of the day, when they create a section 98 agreement, if they're trying to do a modification of their house, it's the unit owner, generally, who would be paying for this. To require the services of a professional may inflate the costs unnecessarily.

I would say the question is: Who is this going to apply to? Is it a big portion? Is it a small portion? Is it something that we should be concerned about on the whole? I did bring the CMHC publication, which talks about condominiums all across the country. There are quite a number of tables.

On the figure on page 4, it says that low-rise condominiums approximate 23% of condominiums across Canada, which is a fairly sizable ratio: 1 in 4. If we then take a more detailed view of what's happening in Ontario—you can see on page 16, I've highlighted some graphs there—you have areas like London, Ontario,

where the low-rise row houses account for 60% of the condominiums. Other regions are well over half. There is also a number in the 20%-to-30% range. This restriction to require an engineer would be imposed on many people that it might not otherwise need to apply to.

When I'm looking at it, too, just as a private citizen, I look to what I might want to do with my house and when I might want to have a section 98 agreement, when would I want to change the building structure or something in the building. I think, for myself and many other people, we're looking at an aging population right now. There are a lot of people who need to make small changes to stay where they are, not massive changes: maybe widening a door; if you had a column or a beam, you might want to move it to the side to widen your hallway and have a wheelchair go through.

In addition, there are many people who live in dated condominiums built in the 1970s and 1980s that are looking at doing renovations right now. The CMHC study has that noted, that about 10% of units across the board are requiring major renovations. Some people, when they redo a kitchen, might want to enlarge the window, which might affect a structural wall or something, requiring a section 98 agreement.

On something where you have a small development, you could easily get a kitchen design service in. They can plan any cupboards, they can match some colours for you and they could do a window on any other house, but not on yours, because you live in a condominium. You have to go and pay an engineer to come in, and it inflates the cost.

Many people, I think, are financially restricted when they're making some of these decisions. The government has stepped in with home renovation tax credits and a number of other things to ease the process. I think that when we have higher costs that go with the core of this, in some ways it goes against what we are trying to do, to allow people to age in place and allow people to do these things.

That's what I had in a nutshell here. I'll turn it over for questions—I know you will have a few—but I really appreciate the time here. Thank you.

The Chair (Ms. Soo Wong): This round is the government side. I'm going to start with Mr. Baker. Mr. Baker?

Mr. Yvan Baker: Thank you very much for your very thoughtful feedback and ideas. I know that one of the things in the context of changes is that if the bill is passed, there will be an opportunity through the development of regulations for folks like yourself and others to provide input in the development of those regulations. That allows us to be a little bit more flexible and adaptive to developments in the condo market, and to work on some of the emerging issues that you talked about. That's the one thing I'd like to highlight. I really appreciate the input and the thoughtfulness of what you have had to say.

I understand also that you wrote to the Ministry of Government and Consumer Services about an apparent conflict in section 98 of the condo act, and the require-

ment for a professional engineer adding an unreasonable encumbrance. I know you spoke to that as well. I know that the ministry is open to addressing this concern—or I understand that, anyway. Are there any other elements of the existing condo act that you haven't spoken to, that you think may cause inefficiencies for owners, management or condo boards?

Mr. Tim Hagerty: In general, other than that, I do think that there are a number of circumstances that—again, falling short of taking somebody to court, like a previous person was saying—make it very difficult to negotiate. I have come across situations where property managers and boards have kind of been linked together, almost in, unfortunately, an Elliot Lake-type scenario, where they're doing their thing and they're not really allowing other input. To me that's a little bit on the scary side of things.

I've also been familiar with some boards that have said, "Oh, we've got work done. It was done by an engineer," and I've pressed and I've said, "Okay, who's the engineer? What's the contact information? These are records that we should have access to." The board has stepped back and said, "Well, I'm not providing that," and then I've had a board member confide in me that the work was indeed not done by an engineer. Now, that is quite alarming to me as a professional, and as an engineer who takes public safety as paramount. That's what it is. It's the top of the top.

Disclose this to PEO, and their question is, "Well, who said what?" If it was the service provider saying that they're an engineer and they're not, that's one thing; they can go after that. But when it's somebody who is not providing services claiming to be an engineer, there's really nothing you can do. So it almost says that somebody misrepresent about something and it might be difficult to trace that through.

Now, I know there's the enforcement body that would be looking at some of these things, but one thing that I would prefer to see, as well, is that there would be automatic disqualification, if somebody is representing someone as a professional and they're not. It would be very dangerous if that was a doctor or something else, but why not if it's an engineer?

So things can happen. The safety can be compromised, and it just seems that if a board or property manager was caught not telling the truth that there should be some streamlined way to take action on that. Whether that's through a tribunal or the enforcement agency, it's something. But if there were categories of automatic penalties, similar to how there's a proposal for if there are certain records that are not provided—I understand that the regulations would be modified, so if it was this thing not being provided, there's this penalty and if it's another thing, it's a different penalty—so if there is some type of structure for that.

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The Chair (Ms. Soo Wong): One minute.

Mr. Yvan Baker: Do you have any other feedback to offer? You're a condo owner—

Mr. Tim Hagerty: Yes, I am.

Mr. Yvan Baker: As a condominium owner—and you're obviously engaged in issues of governance and what's happening at your condo board—do you have any other thoughts on or any feedback to offer on your relationship with your condo board and your ability to participate in conversations and the issues that matter to your investment?

Mr. Tim Hagerty: I think there's a general lack of participation. I've read the comments and the overview, and I've recommended about 10 of the recommendations that were put together, after public consultation to my board, personally, saying, "Let's look at this. Let's be proactive on these items." So I think what has already been stated is very good.

There are modifications, you might say, that would be proposed that improve the area where a similar material is available but it's not chosen; there's an alternate type that's much more costly. That happens a lot, despite people's refusal. I've had situations where items in the condominium have been shut down without acknowledgement—items that are required by the building code and the public health act to stay active, such as the closure of change rooms and washrooms for pools.

You can discuss things, but at the end of the day, you can't make a condominium board member or a property manager create a work order to address these things that ought to be done.

The Chair (Ms. Soo Wong): Mr. Hagerty, thank you for your presentation, and thank you for your written submission to us.

Mr. Tim Hagerty: Thank you for the time. I appreciate it.

CANADIAN CONDOMINIUM INSTITUTE

The Chair (Ms. Soo Wong): The next group coming before us is the Canadian Condominium Institute. We have Mario Deo and Sally Thompson.

Welcome. Do you have any written submission you want to—

Mr. Mario Deo: Yes. We've already provided a brief to you. It looks like this. I have two extra copies if—

The Chair (Ms. Soo Wong): No, if we already have it, I just want to remind the committee members.

As you heard earlier, you have 10 minutes for your presentation, followed by five minutes of questioning. This round of questions will be from the official opposition party. You may begin any time. Please identify yourself and your position with the institute for the purposes of Hansard.

Mr. Mario Deo: Thank you very much for having us here. My name is Mario Deo. We're here representing the Canadian Condominium Institute. I'm the president of CCI, and Sally is the first vice-president.

CCI was introduced to you a bit last week when you heard from Dean McCabe and Catherine Murdock from ACMO, who were on a joint committee to provide feedback to you.

CCI's role is primarily to educate directors and to improve condominium living for owners. Currently, CCI has 2,200 condominium corporation members in Ontario, representing about a quarter of a million residents.

Now a little bit more about each of us: I'm a lawyer exclusively representing the interests of condo corporations and their owners, and Sally is an engineer active in the condominium industry for 25 years. Sally sat on an expert panel that co-chaired the finances working group, and also worked in the ministry for a five-month term, with Frank Denton and Matt Hellin, on the condo act. Both of us are involved with Taronis as consumer advocates, trying to improve the Taronis warranty system on behalf of owners and consumers. I sit on the Taronis consumer advisory council, and Sally sits on the condo task force for Taronis.

We're going to raise three or four issues for your consideration. The first issue is in our brief, which is item number 3, page 3, and it relates to the insurance deductible. First of all, we commend the revision that extends the responsibility of unit owners for damage not only to their own unit, which is the legislation now—the present legislation does not extend the responsibility of damage to other units and common elements; the revision does, and we commend you for that. However, we don't think it's favourable that the present provision embodies the rule in the declaration of a condominium. A declaration of a condominium can only be changed by 80% of the owners, which is highly unlikely to happen.

We think that condominium corporations should retain the right to pass a bylaw which passes the strict liability of damage on to a unit owner. This is like an insurance policy for a homeowner. If a homeowner's pipe bursts, then that homeowner's insurance pays for the damage. The strict liability bylaw in a condominium corporation does the same thing, so it's not unfair at all. This has the benefit of taking advantage of the individual owner's ability to purchase insurance to cover the corporation's deductible in case of damage to the unit. Without this, many deductible claims would fall into the common element charges, which cannot be recouped under the insurance that exists for condominium corporations.

Why is this? It's because condominium corporation insurance has deductibles of approximately \$2,500 for fire damage and an average of \$8,000 and up for floods, which is coverable by their standard policy. Some are much higher. What happens is, a condominium has five or 10 floods a year—could have. That's not unusual. That's a \$40,000 to \$80,000 gap in coverage. The ability to pass a bylaw for an insurance deductible reduces that gap because it passes on the liability to the unit owner, but the unit owner has insurance with a \$500 deductible. We think that should be permitted to condominium corporations because it benefits all unit owners.

One last thing about this: The owners of most corporations have already passed this bylaw, so they are in favour of it. A bylaw, I remind you, takes 50% of the owners to pass.

Now Sally's going to talk about—

Ms. Sally Thompson: I was going to say, I wanted to talk a little bit about the builder's accountability for a first-year budget deficit. Again, there are some very positive changes in Bill 106, where we've minimized the risk of a developer selling or leasing back portions of the condo to the unit owners, which has the net effect of increasing their contribution after the first year. There's also some acceptance that the first-year reserve contribution is too low and that that will be going up. So those are both positive changes to reducing the risk of there being a large deficit on the first-year budget.

But it's important to recognize that when the first-year budget understates the actual costs, when those costs go up, the unit owners have to pay those additional costs every year, not just once, whereas the accountability on the builder's behalf to pay for that deficit is only a one-times multiple. When the maintenance fees are lower, people can borrow more so they pay more for a unit. So the builder has a lot of upside to a lower maintenance fee and not much downside, versus the owners have a very large downside to an understated first-year maintenance fee and a very low upside when the builder's only responsible for one times the deficit.

We were suggesting that you might consider a sort of penalty element to that first-year deficit responsibility, where they might be required to pay a multiple of the shortfall rather than one times.

The other issue we see on first-year accountability is that the lawyers and property managers in the industry tell me that often as much as 50% of the time when the corporation proceeds to try and recover that first-year budget deficit, the company that remains that built the corporation is just a shell company and has no assets. So most of the time they're not recovering the money because the cost to go to court is going to be more than what they would recover.

We were suggesting that there might be some mechanism added to the legislation to permit a security to be held, a letter of credit or an amount of money in escrow to cover that first-year budget deficit risk—maybe 10% or 20% of the operating budget—that then would pay the corporation for that deficit and then release the rest back to the builder.

Mr. Mario Deo: Thank you, Sally. The next item is the proxy form, which is number 8 at page 10 of our brief. This is a very simple issue. The proposed form is a strict form, so it can't be changed, and we agree with that in terms of the voting procedures under the form. The voting procedures require the unit owner to sign the form. That prevents fraud, and that's great. However, the form needs to be amendable to accommodate unique circumstances, like votes by unit owners to change or close the pool, to pass rules and to take votes on things like that. There's a plethora of things that unit owners may have to vote on.

The last one is the recovery of costs at the proposed tribunal. This is section 134. The costs of obtaining an order are recoverable and costs relating to successfully defending a claim are not recoverable. I think there's no

reason—if you're unjustifiably sued in the tribunal and you win, you should collect all the costs, just the same as if you win, you collect all the costs. So again, the section says that if you win, you get all your costs, and if you lose, you don't—and you should.

1520

The last thing is, sections 134(5) and 134(6): What they both say is, if the condo wins, the condo gets all of its costs, and if the unit owner wins, the unit owner gets all of his or her costs—that's the new section, the latter one. The sections are similar, but they're strangely different; I'll put it that way. All I'm saying is, you should look at those sections, and I think they should say exactly the same words, and they don't. Those are our submissions.

The Chair (Ms. Soo Wong): Thank you very much. Mr. McDonell, you're going to begin the questioning.

Mr. Jim McDonell: Thank you for coming. Now your brief that you sent, is it just recently? We don't have it here—

Ms. Sally Thompson: It was submitted last week, when—

Mr. Mario Deo: October 22 it was submitted.

Ms. Sally Thompson: —the ACMO folks came in.

Mr. Mario Deo: As I say, I have two extra copies if you want them.

The Chair (Ms. Soo Wong): It was submitted last week. It was on our pile.

Mr. Jim McDonell: So you talked about the two sections that are different, and they are what again?

Mr. Mario Deo: Sections 134(5) and 134(6).

Mr. Jim McDonell: So what would your priorities be in amendments to this bill—the way it's presented.

Ms. Sally Thompson: The committee between ACMO and CCI met, and put forward this whole group of suggestions. We've tried to make sure that we've only put items in there that we think are pertinent and important. So those would certainly be our recommended suggestions.

Mr. Mario Deo: Those are our priorities, and section 105 is a priority—the section on deductibles. The budget efficiency is a prayer. The big item there is that condominium corporations go to a builder who's bankrupt and they're basically laughed at: "Sue me." It's unjust, because the builder has already got his benefit from making common expenses low, from lowballing the budget—I hate to use that word—but that's what happens a lot of the time; not all of the time.

Mr. Jim McDonell: So how often do you see that issue? And what's the shortfall?

Mr. Mario Deo: The shortfall is, in really bad cases, 30% of the budget. So if a condominium corporation has a \$1.5-million budget, that would be \$450,000 in a really bad case. The usual case, I would say, Sally—15%?

Ms. Sally Thompson: I don't see it. I can't speak to that.

Mr. Mario Deo: She's an engineer. I usually see these things. But I would say in the usual case, when there's a deficit, it's around 10% to 15%. Many times there's not a

deficit. Not all builders are doing this. But when they do it, it's really unfortunate, because they've gained the benefit of the lower rates, lower common expense charges, because the unit sold for more. But they don't have to provide the detriment.

Mr. Jim McDonell: Now typically that would have to go to court and, of course, that's—

Ms. Sally Thompson: It costs more than what you're trying to recover, typically.

Mr. Mario Deo: If I'm advising a condominium and they have a \$70,000 deficit, I say to them, "Look, first of all, you might not get it because there are no assets by the builder; and, secondly, it's going to cost you about \$60,000 or \$50,000 or \$25,000 to get it." And the result is uncertain, so they end up not going.

Mr. Jim McDonell: Now the issue with Tarion: When it comes to condos, do you have any comments on the Tarion warranties and how they work?

Mr. Mario Deo: First of all, we're both avid consumer advocates, for the consumer. We're at Tarion doing that. But we came today to comment on the proposed act.

There are a lot of recommendations that we both make to Tarion. CCI just produced a 17-page set of recommendations to the Tarion advisory council, which I chair. If you'd like, I can provide you with a copy of that.

There are a lot of issues that are with Tarion, but the one issue that I think is being addressed by this legislation, which is commendable, is that the Ontario New Home Warranties Plan Act is going to be amended to cover retrofit condos, and I think that's fantastic.

Mr. Jim McDonell: That's it.

The Chair (Ms. Soo Wong): Thank you very much for your presentation and your written submission. Thank you.

MR. RANDY LIPPERT

The Chair (Ms. Soo Wong): The last witness is coming to us on the phone. I believe he's on the line. Good afternoon. Is this Randy Lippert?

Mr. Randy Lippert: Yes, it is.

The Chair (Ms. Soo Wong): Good afternoon. I'm just going to introduce all the committee members before we begin, so that you have an idea who is sitting in the room besides the Clerk. I'm Soo Wong, the Chair of the committee. On the government side are Yvan Baker, Chris Ballard, Ann Hoggarth, Peter Milczyn and Daiene Vernile. From the official opposition are Toby Barrett and Jim McDonell, and from the third party is Jagmeet Singh.

You have 10 minutes for your presentation, followed by five minutes of questioning. In this round, questioning will be coming from Mr. Singh. You may begin at any time. When you begin, please identify yourself and which organization you're from. Thank you.

Mr. Randy Lippert: Hello. Thanks for giving me some time to speak about Bill 106. My name is Randy Lippert. I'm a professor of criminology and sociology at

the University of Windsor. I research in the areas of governance and social-legal studies.

I've been conducting research on condo governance since 2005, so about 10 years, I guess. This has become much more intensive since 2012, when I received a major grant to study governance in Toronto and New York City.

Just to give you some background: The points that I'm going to be making today are largely based on this research. The research is funded by the Social Sciences and Humanities Research Council of Canada, so it's completely independent. It's not related to industry or any other organization in any way. This research happened to coincide with the condo act review. We've done about 150 confidential interviews with board members and owners from about 30 buildings—and also with property managers and condo professionals—in the GTA. A minority of those are from New York City.

The comments on the bill, again, are based on this research. First of all, this is a good bill, but I think it needs improvement, based on the research. I just want to make six quick points.

One of the common themes that came out of our in-depth interviews was a real lack of education and knowledge among condo board members and owners. You probably already know that. I think that ought to be addressed perhaps better in this bill. I know that there's mandatory training, but one of the questions we had was whether it ought to come from the Canadian Condominium Institute, or CCI, as it's commonly referred to. That institute is made up of, almost exclusively, industry representatives: people from the property management industry, condo law firms and insurance firms. We're wondering whether something could be put in the bill to ensure the training is provided more independently at a community college and whether there could some oversight of the curriculum, just so that board members have a more critical understanding of the industry, because they're going to be making decisions about contracting and so on.

The second point is, what came out of the research, as well, is that many owners were very disappointed with a single meeting, in some cases, with their board—an AGM. One of the things that they were wishing would happen was that there would be more mandated meetings during the year. Some boards, of course, offered that voluntarily, but, again, that was a concern that came out—and really, the general lack of communication between board members and owners, which I'm confident you've also heard much about. We also suggested that new technologies, such as Skype, could easily make having more mandatory meetings feasible.

Thirdly, reserve fund study problems: Reserve fund problems were the most commonly cited issue among board members and owners. Many felt that the use of the broad language regarding major repairs—again, exactly what constitutes adequate reserve funds continues to be unclear. I don't think that this bill necessarily gives us more detail about that. I think that would alleviate at least

some of the issues from the get-go. We have claims of people spending a lot of reserve funds on aesthetics rather than maintaining building systems. That was, again, an ongoing concern.

Fourth, conflicts of interest: It's not clear that they are adequately addressed in the bill. We had countless stories of conflicts of interest. We know that the existing legislation requires that board members disclose conflicts to other board members, but we wonder if possibly the bill could require those conflicts to be revealed to any owners in the building, particularly prior to elections but also on an ongoing basis, if in fact they were interested.

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Number five: As we know there was an earlier authority that was sort of included in the legislation, in an earlier condo act, but it was never implemented. This is an opportunity to really implement the authority and to get it right for owners and board members. However, the appointment criteria in the bill seems to be pretty vague. I know competency criteria will be established. In general, it seems to open the possibility that we will only have on the authority condo lawyers, representatives of the insurance industry and property management industry representatives. There is a provision that allows I think it's the minister to appoint representatives of the public, consumer groups, government organizations and so on, but it says "may include," rather than "will include." I was just wondering if a change like that could be made just to ensure that there is broader representation.

We also know that of course owners and members of the condo industry are not mutually exclusive categories. The bill doesn't seem to show any recognition of that.

Finally, the funding arrangements for the condo authority and also the tribunal seem a bit inadequate and possibly too narrow. In addition to owners, who presumably be asked to pay most of the freight for the new condo authority, it does seem that condo professionals and service providers in Ontario who profit from existing condo buildings and the condo boom really, on an ongoing basis, ought to pay some of that freight. We would suggest that they pay at least 50% of that fee.

Secondly, our research has shown that really there is a difference in terms of the contribution to and commitment to condo governance amongst owners. That divide is often between the investors—the absentee owners—and owner-occupiers. We were wondering if there was any possibility that there be a distinction in the fee, which is to say that absentee owners would pay a higher fee than owner-occupiers, because owner-occupiers are maintaining the building simply by living in it, following the rules, and presumably are more likely to go to the annual general meeting and so on.

So those are my points. Thank you.

The Chair (Ms. Soo Wong): Thank you very much. I'm going to turn to Mr. Singh to begin the questions. Mr. Singh?

Mr. Jagmeet Singh: Thank you very much for your deputation. One of the issues that this bill has not touched on and something that a number of individuals have

raised—which is not limited to condominiums but also applies to new homeowners as well—is the issue of Tarion. Is that something that you have an opinion on: with respect to improving the accountability of Tarion? It's something that a lot of condominium owners have raised: that when there are complaints around the building of a unit and there are compliance issues, when they do try to seek a remedy through Tarion, they're unable to get the results that they'd like to see happen and they don't feel that the protection is there. Is that something that you can speak to?

Mr. Randy Lippert: That did come up in a number of the interviews. Tarion was never talked about in a positive fashion with respect to giving resolution for those kinds of issues. For those more in the know, I guess, it's the composition of that board as well that they're hoping is not repeated or used as a model for the condo authority.

Mr. Jagmeet Singh: That's a great point, if I could just touch on that. One of the issues that was raised, and you just talked about it, was the fact that the Tarion board membership is made up of primarily individuals associated with the building of those condominiums, or the building of homes in general—and the issue being that if Tarion seeks to provide a remedy for homeowners but the board is made up of home builders, there seems to be a conflict with respect to that. How do you think that issue might spill into the issues around the condominium authority?

Mr. Randy Lippert: The people making up the condo authority may well be interested actors. I recognize that a certain level of expertise is required, and often, that's most likely to come from the industry itself. One thing I learned, and you know better than I do, is just how complex condo governance is, but certainly there could be allowance for other actors, if you like, to participate in a meaningful way.

There are some very knowledgeable condo board members who aren't involved in the industry but who simply govern their building. They know the act. I see no reason why some of those individuals couldn't be somehow encouraged to become part of the authority or somehow play a role, and not just on the—I think it's the advisory council that's mentioned in the bill—but in a much more meaningful way.

We also know that the board appoints the tribunal. So it's really about getting the board right to begin with and not simply having people from CCI, who, of course, are well-intentioned, but they do represent only the industry and not your average owner-occupier, for example.

Mr. Jagmeet Singh: I think you raise some excellent points.

With respect to the board membership, do you think that there should be a requirement that it be made up of individuals who could be loosely deemed to be more condominium owners or condominium owner-experts?

Mr. Randy Lippert: In short, yes. Those board members and some owners who have had to deal with boards have become very knowledgeable about the way

condo governance works on the ground, as opposed to in the courts or from outside as simply an owner. They live this every day. I do think that there ought to be a stipulation in the new act that would require that, rather than simply leaving it open.

One of the phrases is the minister can appoint “owners or,” and basically the next phrase describes owner-occupiers. I think the “owners or” part of it could easily be deleted and at least owner-occupiers have a greater chance of becoming part of the board in that way as well.

Mr. Jagmeet Singh: Excellent. One other issue: In the law society—as a lawyer, I can refer to that as an area that I’m familiar with—they have a layperson who’s a member, and that provides insight from someone who’s not necessarily an expert but someone who can provide that input that’s not necessarily affiliated with any one association. Do you think something similar might be a good idea to include in this condominium authority?

Mr. Randy Lippert: I think, at a minimum, but there’s no reason to have just the one—I hate to put it in these terms, but “token layperson.” Again, depending on how it’s run, I think it could be feasible to have several ex-board members or laypersons who have some familiarity with condo governance, but not to make it so complicated that it becomes very difficult to keep the board going or to have stability and so on.

Mr. Jagmeet Singh: Thank you so much for your insight; I appreciate it.

The Chair (Ms. Soo Wong): Thank you very much, Professor Lippert. I understand you did not submit anything in writing to the committee. You have until 6 p.m. today if you want to send anything written to the Clerk.

Mr. Randy Lippert: I will do so. I’m just having a graduate student read it over.

The Chair (Ms. Soo Wong): Okay. Thank you very much. Have a good afternoon.

Mr. Randy Lippert: Thanks.

The Chair (Ms. Soo Wong): I just want to go through a couple of things administratively for the committee. Amendments are due Tuesday, November 3, at 12 noon.

I understand from the Clerk that the research staff will be submitting a report to the committee in terms of a notes summary of all of the witnesses before the committee. That’s coming up Monday.

We will begin clause-by-clause this Thursday, November 5, at 9 a.m.

I noticed on the agenda about committee business—I have been advised that the subcommittee wants to go back to the subcommittee report before the committee as a whole to discuss the subcommittee report. You do have a copy. I have been advised by the members of the subcommittee that they would like to do that work after the House returns from constit week, so there will not be any committee business today. I just wanted that on the record. I have been asked by the three subcommittee members—one of them is right now speaking in the chamber. So just out of fairness to the subcommittee members, we will hold that subcommittee report so that all the subcommittee members can have a chance after the committee returns from constit week.

Any other questions or comments before I adjourn the committee for today? Seeing none, I’m going—

Mr. Jagmeet Singh: Just one brief question. So there were two subcommittee reports, what’s been broken down into A and B. They’ll be separated and they’ll both be dealt with in the next—

The Chair (Ms. Soo Wong): They are going to be dealt with at the next subcommittee meeting, but not today at the committee as a whole—

Mr. Jagmeet Singh: Sure. That’s good. Perfect.

The Chair (Ms. Soo Wong): —just out of fairness to all of the subcommittee members who are not here to speak on the item.

All right. Seeing none, I’m going to adjourn the committee today. Thank you.

The committee adjourned at 1542.

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Legislative Assembly of Ontario

First Session, 41st Parliament

Assemblée législative de l'Ontario

Première session, 41^e législature

Official Report of Debates (Hansard)

Thursday 5 November 2015

Journal des débats (Hansard)

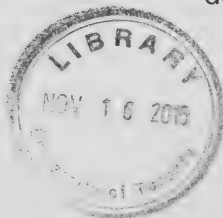
Jeudi 5 novembre 2015

Standing Committee on Finance and Economic Affairs

Protecting Condominium
Owners Act, 2015

Comité permanent des finances et des affaires économiques

Loi de 2015 sur la protection
des propriétaires
de condominiums



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LEGISLATIVE ASSEMBLY OF ONTARIO

ASSEMBLÉE LÉGISLATIVE DE L'ONTARIO

STANDING COMMITTEE ON
FINANCE AND ECONOMIC AFFAIRSCOMITÉ PERMANENT DES FINANCES
ET DES AFFAIRES ÉCONOMIQUES

Thursday 5 November 2015

Jeudi 5 novembre 2015

*The committee met at 0903 in room 151.*PROTECTING CONDOMINIUM
OWNERS ACT, 2015LOI DE 2015 SUR LA PROTECTION
DES PROPRIÉTAIRES
DE CONDOMINIUMS

Consideration of the following bill:

Bill 106, An Act to amend the Condominium Act, 1998, to enact the Condominium Management Services Act, 2015 and to amend other Acts with respect to condominiums / Projet de loi 106, Loi modifiant la Loi de 1998 sur les condominiums, édictant la Loi de 2015 sur les services de gestion de condominiums et modifiant d'autres lois en ce qui concerne les condominiums.

The Vice-Chair (Mr. Peter Z. Milczyn): Good morning, everybody. The purpose of today's meeting is for clause-by-clause consideration of Bill 106, An Act to amend the Condominium Act, 1998, to enact the Condominium Management Services Act, 2015 and to amend other Acts with respect to condominiums.

Mr. Michael Wood is the legislative counsel who will be here to assist us with our work today.

As I'm sure all members are aware, the committee is authorized to sit today from 9 a.m. to 10:15 a.m. and from 2 p.m. to 6 p.m.

A copy of the renumbered amendments is on everybody's desk. You may refer to this copy as we go through the clause-by-clause review.

Do members of the committee have any questions before we begin? No?

As you've probably noticed, Bill 106 is comprised of only three sections which enact two schedules. In order to deal with the bill in an orderly fashion we should postpone the three sections in order to dispose of the schedules first. Are we agreed? We are agreed.

Are there any general comments or discussions about the bill before we go into section 1, schedule 1, of the bill? No? Very good.

So on schedule 1, section 1, some amendments have been tabled by the government. Mr. Ballard?

Mr. Chris Ballard: I move that subsection 1(4) of schedule 1 to the bill be struck out and the following substituted:

"(4) Subsection 1(1) of the act is amended by adding the following definition:

"“condominium authority” means the corporation that the Lieutenant Governor in Council has designated as such under clause 1.1(1)(a); (“autorité du secteur des condominiums”, “autorité”);”

"(4.1) Subsection 1(1) of the act is amended by adding the following definition:

"“condominium guide” means a guide that is described in subsection 71.1(1); (“guide sur les condominiums”);”

The Vice-Chair (Mr. Peter Z. Milczyn): Debate and comment?

Mr. Chris Ballard: It's a technical issue.

The Vice-Chair (Mr. Peter Z. Milczyn): All right, so all in favour? Opposed? That is carried.

Mr. Chris Ballard: Well, that was easy.

The Vice-Chair (Mr. Peter Z. Milczyn): There is a—Mr. Ballard?

Mr. Chris Ballard: I move that subsection 1(6) of schedule 1 to the bill be struck out and the following substituted:

"(6) Subsection 1(1) of the act is amended by adding the following definition:

"“declarant affiliate” means a body corporate with or without share capital, whether or not this act applies to it, that is related to a declarant by reason of being deemed to be,

"“(a) a subsidiary of the declarant under subsection 1(2) of the Business Corporations Act,

"“(b) a holding body of the declarant under subsection 1(3) of the Business Corporations Act, or

"“(c) affiliated with the declarant under subsection 1(4) of the Business Corporations Act; (“membre du même groupe que le déclarant”)

"(6.1) Subsection 1(1) of the act is amended by adding the following definition:

"“delegated provisions”, when used in connection with the condominium authority, means the provisions of this act and the regulations that the Lieutenant Governor in Council specifies under clause 1.1(1)(b) and of which the administration is delegated to the condominium authority under subsection 1.1(3); (“dispositions déléguées”)

"(6.2) Subsection 1(1) of the act is amended by adding the following definition:

"“improvement” means, in relation to a unit,

"“(a) any part of a unit, where the part does not constitute a standard unit or part of a standard unit, or

“(b) any repair or modification to a standard unit that is done using materials that are higher in quality, as determined in accordance with current construction standards; (“amélioration”)”

Again, a technical requirement.

The Vice-Chair (Mr. Peter Z. Milczyn): Debate and comment? None?

So we'll vote on this amendment. All those in favour? Opposed? Carried.

Mr. Chris Ballard: I move that subsection 1(12) of schedule 1 to the bill be struck out and the following substituted:

“(12) Subsection 1(1) of the act is amended by adding the following definitions:

““Registrar” means the Condominium Registrar appointed under subsection 9.1(1); (“registrar”)

““regulations” means the regulations made under this act; (“règlements”)

“(12.1) Subsection 1(1) of the act is amended by adding the following definitions:

““repair” means to repair or replace after normal wear and tear, damage or failure; (“réparer”)

““reserve fund study provider” means a person who meets all prescribed requirements for the purpose of conducting a reserve fund study; (“fournisseur d'étude de fonds de réserve”)

“(12.2) Subsection 1(1) of the act is amended by adding the following definition:

““residential condominium conversion project” has the same meaning as in subsection 17.1(1) of the Ontario New Home Warranties Plan Act; (“projet de conversion en condominiums à usage d'habitation”)

Again, that's a technical amendment, Mr. Chair.

The Vice-Chair (Mr. Peter Z. Milczyn): Debate and comment? We will vote on the amendment. All those in favour? Opposed? It's carried.

0910

Shall schedule 1, section 1, as amended, carry? Debate and comment? We'll vote. All in favour? Opposed? It is carried.

Now we move on to schedule 1, section 2. Mr. Vanthof.

Mr. John Vanthof: I move that section 1(1) of the Condominium Act, 1998, as set out in section 2 of schedule 1 of the bill, be amended by adding the following subsection:

“Oversight by Ombudsman

“(4) The Ombudsman appointed under the Ombudsman Act shall oversee the condominium authority and accordingly,

“(a) the Ombudsman is deemed to have all the powers necessary for the exercise of the oversight functions; and

“(b) the condominium authority shall co-operate with the Ombudsman fully in the exercise of his or her oversight functions.”

The Vice-Chair (Mr. Peter Z. Milczyn): Thank you, Mr. Vanthof. Committee members, I am ruling that this amendment is out of order, as it is, in my opinion, beyond the scope of this bill. Yes, Mr. McDonnell?

Mr. Jim McDonnell: Just an explanation: Why would that be outside the scope of the bill if it happened to fall under the Ombudsman?

The Vice-Chair (Mr. Peter Z. Milczyn): You cannot do something indirectly that you can't do directly. My understanding is that it's not within the Ombudsman's legislation to have this particular oversight. You would have to amend the act that governs the Ombudsman.

Mr. Jim McDonnell: So just to clarify, if you were to amend that act you wouldn't have to go back and amend this act?

The Vice-Chair (Mr. Peter Z. Milczyn): I believe so.

Mr. Jim McDonnell: Sure. Okay.

The Vice-Chair (Mr. Peter Z. Milczyn): Mr. Vanthof, the next amendment.

Mr. John Vanthof: I move that section 1.1 of the Condominium Act, 1998, as set out in section 2 of schedule 1 to the bill, be amended by adding the following subsection:

“Oversight bodies

“(5) The Integrity Commissioner appointed under the Members' Integrity Act, 1994 shall oversee the condominium authority and accordingly,

“(a) the Integrity Commissioner deemed to have all the powers necessary for the exercise of the oversight functions; and

“(b) the condominium authority shall co-operate with the Integrity Commissioner fully in the exercise of the oversight functions.”

The Vice-Chair (Mr. Peter Z. Milczyn): Committee members, I am ruling that this amendment is out of order as it is, in my opinion, beyond the scope of this bill. The rationale would be similar to the reasons for the previous ruling.

Mr. Vanthof.

Mr. John Vanthof: Thank you, Chair. I move that subsection 1.2(2) of the Condominium Act, 1998, as set out in section 2 of schedule 1 to the bill, be amended by adding the following paragraph:

“1.1 The objects and purposes of the authority, which shall include protecting owners, purchasers and residents with respect to the application of this act in the public interest.”

The Vice-Chair (Mr. Peter Z. Milczyn): Debate and comment? Mr. Ballard.

Mr. Chris Ballard: I'm sorry; I didn't know if Mr. Vanthof wanted to start off with any comments. I guess, Mr. Chair, I see this motion as requiring the administrative agreement between the minister and the authority to include explicit references to protecting owners, purchasers and residents in the objects and purposes. I have trouble with the amendment because the authority is primarily responsible for an independent, neutral tribunal. If it requires that the authority's purpose include the protection of owners and purchasers, it would create an actual conflict of interest because the tribunal would resolve disputes between owners and corporations among other parties. For that reason, I can't support this motion.

The Vice-Chair (Mr. Peter Z. Milczyn): Further debate and comment? No? We'll vote on this item. All those in favour? Opposed? The amendment does not carry.

Mr. Ballard.

Mr. Chris Ballard: Great. Thank you, Mr. Chair. With motion number 7, this is with regard to schedule 1 to the bill, section 2.

I move that section 1.4 of the Condominium Act, 1998, as set out in section 2 of schedule 1 to the bill, be amended by striking out "and the regulations" at the end and substituting "the regulations and other applicable law".

Again, it's a technical amendment, Mr. Chair.

The Vice-Chair (Mr. Peter Z. Milczyn): Debate and comment? None? We'll vote on this amendment.

All those in favour? Opposed? The amendment is carried.

Mr. Ballard.

Mr. Chris Ballard: I move that section 1.6 of the Condominium Act, 1998, as set out in section 2 of schedule 1 to the bill, be amended by striking out "and" at the end of clause (a) and by adding the following clause:

"(c) the condominium authority's constating documents, bylaws and resolutions."

Again, a technical amendment.

The Vice-Chair (Mr. Peter Z. Milczyn): Debate and comment? We'll vote on this amendment.

All those in favour? Opposed? The amendment carries.

Motion number 9, the official opposition. Motion number 9: It's an official opposition amendment.

Mr. Jim McDonell: I move that clause 1.9(1)(b) of the Condominium Act, 1998, as set out in section 2 of schedule 1 to the bill, be amended by striking out "the appointment or election process" and substituting "the election process".

The Vice-Chair (Mr. Peter Z. Milczyn): Debate and comment? Mr. McDonell.

Mr. Jim McDonell: We believe the appointments to public boards should remain transparent. This amendment lays the groundwork to ensure the authority's members are either elected by stakeholders or appointed by order in council. If this doesn't pass, the board of the authority could not be composed of appointees who could be—the appointments can't be reviewed in the future.

The Vice-Chair (Mr. Peter Z. Milczyn): Further debate and comment? Mr. Ballard.

Mr. Chris Ballard: Thank you, Mr. Chair. I have trouble with this amendment and will be voting against the motion. The intent of the bill is to add government oversight to the sector to protect the investments of condominium owners. It's our belief that removing the ability for the minister to make directives about the appointment practice would compromise the government's ability to add accountability in this area.

The Vice-Chair (Mr. Peter Z. Milczyn): Further debate and comment? We will vote on this amendment. All those in favour? Opposed? The amendment does not carry.

Motion number 10.

Mr. Jim McDonell: I move that section 1.10 of the Condominium Act, 1998, as set out in section 2 of schedule 1 to the bill, be amended by striking out "the minister" wherever it appears and substituting in each case "the Lieutenant Governor in Council".

The Vice-Chair (Mr. Peter Z. Milczyn): Debate and comment?

Mr. Jim McDonell: Well, again, appointments that are made under the order in council are reviewable by government agencies. It ensures just that further degree of transparency that I'm sure the government and all parties here want to obtain.

The Vice-Chair (Mr. Peter Z. Milczyn): Further debate and comment? Mr. Ballard.

Mr. Chris Ballard: Again, through you, Mr. Chair, I can't support this motion. It would remove the minister's power to appoint the minority of a board of a condo authority and instead give the power to the Lieutenant Governor in Council, which would require, of course, a cabinet decision and an order in council.

The motion really is inconsistent with established MGCS administrative authorities. Requiring a minister to appoint a minority of the board members and the chair ensures the condominium authority remains at arm's length from government while still allowing for close government oversight by the responsible ministry. Appointments would still be processed through the Public Appointments Secretariat.

If appointments were made by the Lieutenant Governor in Council, the process would require a cabinet decision and an order in council, as I stated previously. If appointments were made by the Lieutenant Governor in Council, the Standing Committee on Government Agencies would be able to scrutinize the appointment.

0920

The Vice-Chair (Mr. Peter Z. Milczyn): Further debate and comment? Mr. Barrett?

Mr. Toby Barrett: Just to follow up on that: Yes, that is a good thing, to have the standing committee review the authority. I just feel that that level of oversight is important if the need arises.

I think of the example of Ornge air ambulance, where there were a number of private companies that were spun off, and the Auditor General couldn't look into that. At the time, the Ministry of Health didn't seem to be providing the oversight. The other example is Taronis; the Auditor General has no oversight over Taronis. So I'm concerned that by voting against this amendment, we may be setting up a similar situation in the future.

The Vice-Chair (Mr. Peter Z. Milczyn): Mr. McDonell?

Mr. Jim McDonell: I'm somewhat surprised when they talk about the extra steps. Putting through an order in council in cabinet is something that—there are sometimes a dozen of these done each week. The Standing Committee on Government Agencies has the ability to call them for a review; probably about a quarter of the total nominees are called. It's not a huge delay issue, as you talk about. It's something put in place so that the members can be reviewed. As my colleague said, we've

seen examples where this hasn't happened. The Lieutenant Governor in Council works very well, and it just puts that extra step of oversight and transparency that we so much strive to achieve.

The Vice-Chair (Mr. Peter Z. Milczyn): Further debate and comment? Mr. Ballard?

Mr. Chris Ballard: I just wanted to reiterate that, again, I would recommend voting against the motion. It would be inconsistent with other MGCS administrative authorities and would substantially, in our opinion, slow down the appointment process. The minister's ability to appoint up to 49% of the members supports an arm's-length relationship while allowing the appropriate level of government oversight. Appointments are already subject to appropriate oversight. The members' appointments would still be processed, as we said earlier, through the Public Appointments Secretariat process.

The Vice-Chair (Mr. Peter Z. Milczyn): Further debate and comment? So we will vote on this amendment. All those in favour? Opposed? The amendment does not carry.

Motion number 11: an official opposition motion.

Mr. Toby Barrett: I move that section 1.11 of the Condominium Act, 1998, as set out in section 2 of schedule 1 to the bill, be amended by striking out "the minister" at the beginning and substituting "the Lieutenant Governor in Council".

The Vice-Chair (Mr. Peter Z. Milczyn): Debate and comment?

Mr. Jim McDonell: Again, the rationale is, it allows the appointees to be scrutinized by the standing committee. I would think the minister, being part of cabinet—I hesitate to think there's that much scrutiny when a recommendation of the minister goes before cabinet, that there's fear that these appointments will be turned down. If they are, it's probably for a good cause. We're only looking at that element of scrutiny that allows government agencies to then review the board in the future if there is an issue.

Again, as my colleague said, far too often these agencies go on where they don't have any requirement to come before any of the standing committees, and we see, in the case of Ornge, \$1 billion wasted before the newspapers pick it up. I think that's the last way we want the reviews to be done, so we'll be supporting this motion.

The Vice-Chair (Mr. Peter Z. Milczyn): Further debate and comment? Mr. Ballard?

Mr. Chris Ballard: I have similar concerns that I raised with the last amendment and would recommend voting against this motion. First and foremost, it would be inconsistent with other Ministry of Government and Consumer Services administrative authorities.

Even if the minister increases or decreases the number of his or her appointments, the minister is still limited to appoint 49% of the members. Again, this supports the arm's-length relationship while supporting the appropriate level of government oversight. It's our belief that requiring the approval of the Lieutenant Governor in Council to increase the size of the board would slow down the process when it may be required.

The Vice-Chair (Mr. Peter Z. Milczyn): Further debate and comment? Mr. McDonell.

Mr. Jim McDonell: Just to make this very clear, this does not reduce the minister's ability at all. It leaves the decisions entirely within the cabinet. All this does is allow some oversight over the appointments. We have hundreds of agencies that are under the same scrutiny. It does not delay the system.

I think the arguments being put forth are frivolous, as we have a system that works well. I sat on Standing Committee on Government Agencies. The vast majority go through with agreement of all three parties. We have the ability to call somebody up to review. There are short time frames; they have to be done within a month. If we look at some of the appointments, they're years late before they're even suggested, so entering a couple of weeks of delay is not a huge issue.

Again, whether it's the minister or the cabinet that makes the decision, it's essentially the same group, so I don't see the problem.

The Vice-Chair (Mr. Peter Z. Milczyn): Further debate and comments? We're ready to vote on this amendment? All those in favour of the amendment? All those opposed? The amendment does not carry.

Motion number 12, from the third party: Mr. Vanthof.

Mr. John Vanthof: Thank you, Chair.

I move that part 1.1 of the Condominium Act, 1998, as set out in section 2 of schedule 1 to the bill, be amended by adding the following section:

"Restriction

"1.11.1 No more than one member of the board of directors of the condominium authority may be a person who is employed to represent the interests of one or more home builders."

The Vice-Chair (Mr. Peter Z. Milczyn): Debate and comments? Mr. Vanthof.

Mr. John Vanthof: The basic premise of this is that the condo board should be set up to provide fair protection for all parties involved, but especially the condo buyers and the owners of the condo, who should represent a greater proportion of the board.

The Vice-Chair (Mr. Peter Z. Milczyn): Further debate and comments? Mr. Ballard.

Mr. Chris Ballard: Again, I have concerns with this motion. I think the motion creates a strong presumption in the act that the board will be a board composed of members who represent particular sectors or interests. This may make it difficult for the authority to have a competency-based board where members are appointed or elected based on the skills that they possess.

Further, the motion also implies that a seat on the board will be reserved for an individual who represents home builders. Home builders likely have a limited interest in the condominium authority because they cannot apply to the tribunal and they are not assessed fees by the authority. I think that for those two fundamental reasons, I would recommend voting against the motion.

The Vice-Chair (Mr. Peter Z. Milczyn): Further debate and comment? We're ready to vote on the amend-

ment? All those in favour? Opposed? The amendment does not carry.

Motion number 13: official opposition.

Mr. Jim McDonell: I move that section 1.12 of the Condominium Act, 1998, as set out in section 2 of schedule 1 to the bill, be amended by striking out “the minister” at the beginning and substituting “the Lieutenant Governor in Council”.

The Vice-Chair (Mr. Peter Z. Milczyn): Debate and comments? Mr. McDonell.

Mr. Jim McDonell: The same thing: It allows further scrutiny, as we’ve talked about before. It allows the ability of the board to be brought before government agencies for review, periodically, as we have for hundreds of other agencies. I think it’s just another element of good governance, where you have transparent boards that look after these fairly significant parts of the public population of Ontario.

The Vice-Chair (Mr. Peter Z. Milczyn): Further debate and comments? Mr. Ballard.

Mr. Chris Ballard: I have the same concerns with this motion that I had with the similar, earlier PC proposed amendments, and I would recommend that we vote against it for the same reasons. First and foremost, this would be inconsistent with other Ministry of Government and Consumer Services administrative authorities. It’s our belief that the minister’s ability to appoint up to 49% of the members supports an arm’s-length relationship, while supporting an appropriate level of government oversight. Appointments would still be processed through the Public Appointments Secretariat.

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It’s concerned about the speed at which this could be done. Having to go through cabinet or Lieutenant Governor in Council order etc. could significantly slow down the process.

The Vice-Chair (Mr. Peter Z. Milczyn): Further debate and comment? Mr. McDonell?

Mr. Jim McDonell: There are other agencies under consumer services that have this ability—so we don’t see it’s on a one-off. We believe that it’s good governance. I guess possibly those are made up at times when the government doesn’t have a majority. But I think it’s worthwhile to have this transparency and it’s the right thing to do.

The Vice-Chair (Mr. Peter Z. Milczyn): Further debate and comment? Are we ready to vote on this amendment? All those in favour? All those opposed? The amendment does not carry.

Motion number 14: Mr. Ballard.

Mr. Chris Ballard: I move that section 1.13 of the Condominium Act, 1998, as set out in section 2 of schedule 1 to the bill, be amended by adding the following subsections:

“Access to compensation information

“(2) The condominium authority shall make available to the public the prescribed information relating to the compensation for members of its board of directors or officers or employees of the authority and relating to any

other payments that it makes or is required to make to them, and shall do so in the prescribed manner.

“Processes and procedures

“(3) The condominium authority shall follow the prescribed processes and procedures with respect to providing access to the public to records of the authority and with respect to managing personal information contained in those records.”

The Vice-Chair (Mr. Peter Z. Milczyn): Debate and comment?

Mr. Chris Ballard: I’ll simply make a comment, Mr. Chair, that we’re drafting a change that clarifies the condominium authority’s obligations and does not alter the policy intent or the potential scope of the obligations.

The Vice-Chair (Mr. Peter Z. Milczyn): Further debate and comment? Are we prepared to vote on this amendment? All those in favour? Opposed? The amendment is carried.

Motion number 15, from the official opposition.

Mr. Toby Barrett: I move that part I.1 of the Condominium Act, 1998, as set out in section 2 of schedule 1 to the bill, be amended by adding the following section:

“Condominium authority is a public sector body

“1.15.1 The condominium authority is a public sector body for the purposes of the Ombudsman Act.”

The Vice-Chair (Mr. Peter Z. Milczyn): Committee members, I’m ruling this amendment out of order, as it is beyond the scope of this bill, in my opinion. It is the same rationale as I gave earlier this morning.

Mr. Jim McDonell: I think it’s unfortunate we have—

The Vice-Chair (Mr. Peter Z. Milczyn): I don’t believe there are comments on the ruling of a Chair, Mr. McDonell.

Motion number 16.

Mr. Toby Barrett: I move that part I.1 of the Condominium Act, 1998, as set out in section 2 of schedule 1 to the bill, be amended by adding the following section:

“Condominium authority is an institution

“1.15.2 The condominium authority is an institution for the purposes of the Freedom of Information and Protection of Privacy Act.”

The Vice-Chair (Mr. Peter Z. Milczyn): Committee members, I’m ruling this amendment out of order as it is out of the scope of this bill, in my opinion. The rationale is the same as I’ve offered on earlier rulings.

Motion number 17.

Mr. Toby Barrett: I move that part I.1 of the Condominium Act, 1998, as set out in section 2 of schedule 1 to the bill, be amended by adding the following section:

“Condominium authority is an employer in the public sector

“1.15.3 The condominium authority is an employer in the public sector for the purposes of the Public Sector Salary Disclosure Act, 1996.”

The Vice-Chair (Mr. Peter Z. Milczyn): I’m ruling this amendment out of order as it is, in my opinion, out of the scope of this bill and for the same reasons as I’ve offered on earlier rulings.

Motion number 18.

Mr. Toby Barrett: I move that part 1.1 of the Condominium Act, 1998, as set out in section 2 of schedule 1 to the bill, be amended by adding the following section:

“Disclosure of contracts

“1.22.1 The condominium authority shall disclose on its website any contract it enters into that exceeds a value of \$10,000.”

The Vice-Chair (Mr. Peter Z. Milczyn): Debate and comment? Mr. McDonell.

Mr. Jim McDonell: This amendment would encompass things such as consultation and any contracts entered into by the authority, which are not covered by Liberal amendment number 14, as that one only applies to board members, officers and employees of the authority as subject to compensation disclosure.

So if this amendment fails, the authority could bump its members' pay and potentially otherwise waste money through consultants and contracts.

The Vice-Chair (Mr. Peter Z. Milczyn): Further debate and comment?

Mr. Chris Ballard: I have concerns with this motion and I would recommend voting against the motion because it could create a costly administrative burden and may result in unintended consequences for the authority.

The government has committed to ensuring the tribunal is affordable for owners, and mandating a burdensome reporting requirement could compromise this commitment. Further, Mr. Chair, contract disclosures could be addressed in annual reports, as set out in the administrative agreement, or through prescribed disclosure requirements.

The Vice-Chair (Mr. Peter Z. Milczyn): Further debate and comment? Mr. McDonell.

Mr. Jim McDonell: Yes. We're simply asking that contracts of a significant size—of course, everybody in the condominium has to cover the cost; it's basically available to the members. I don't think that's too much in the way of administration. It doesn't have to be. People having the access to know just what work is being done is always a good thing.

The Vice-Chair (Mr. Peter Z. Milczyn): Further debate and comment? Are we ready to vote on this amendment? All those in favour? Opposed? The amendment does not carry.

Motion number 19.

Mr. Toby Barrett: Chair, before I move this motion, I just wanted to point out to the committee that in the typing, a mistake has been made on the very bottom line of this motion where it says “subsection (1).” It should also read “and (2) on its website.” So the very bottom line would read “subsections (1) and (2) on its website.”

The Vice-Chair (Mr. Peter Z. Milczyn): The Clerk will make that note. Mr. Barrett, please proceed with moving your motion.

Mr. Toby Barrett: With that correction—

The Vice-Chair (Mr. Peter Z. Milczyn): Is everybody in agreement with this amendment being made this way?

Ms. Ann Hoggarth: I just wondered if the Clerk agrees that it was just a typo.

The Clerk of the Committee (Mr. Katch Koch): I don't know because I distributed the amendments the way I received them.

Mr. Toby Barrett: The mistake is on our part, yes.

The Clerk of the Committee (Mr. Katch Koch): If you wish, you can make an amendment, or we can have this amendment retyped.

The Vice-Chair (Mr. Peter Z. Milczyn): So the issue is, are members fine with hearing this verbally or do they wish it in writing?

Ms. Ann Hoggarth: Okay.

The Vice-Chair (Mr. Peter Z. Milczyn): Okay. Mr. Barrett, please proceed.

Mr. Toby Barrett: Yes. Thank you, committee.

I move that section 1.28 of the Condominium Act, 1998, as set out in section 2 of schedule 1 to the bill, be amended by adding the following subsection:

“Publication of advice or report

“(1.1) The condominium authority shall publish any advice or report it makes under subsections (1) and (2) on its website.”

I apologize for our mistake in typing that up.

The Vice-Chair (Mr. Peter Z. Milczyn): Debate and comment? Mr. McDonell.

Mr. Jim McDonell: Yes. The reason for this is we just believe the public has a right to know whether or if the authority recommends a change to the minister.

The Vice-Chair (Mr. Peter Z. Milczyn): Further debate and comment? Mr. Ballard.

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Mr. Chris Ballard: Everyone agrees that the public has a right to know. Our concern is that this proposed amendment would create a potentially costly administrative burden. Secondly, the policy intent could be addressed in other ways, such as through regulations prescribing disclosure requirements. For those two reasons, I would recommend that we vote against the motion.

The Vice-Chair (Mr. Peter Z. Milczyn): Further debate and comment? Mr. McDonell.

Mr. Jim McDonell: One of the benefits that we have with the Internet is that posting to a website is actually very inexpensive these days. As I say, the ability for the public to keep track of changes is very easy and cost-effective today. That's only, of course, if the government is willing to share the information.

The Vice-Chair (Mr. Peter Z. Milczyn): Further debate and comments? We're prepared to vote on this motion? All those in favour? All those opposed? The amendment does not carry.

Motion number 20: Mr. Barrett.

Mr. Toby Barrett: I move that section 1.29 of the Condominium Act, 1998, as set out in section 2 of schedule 1 to the bill, be amended by adding the following subsection:

“Requirements to set fee, cost or charge

“(2.1) Despite subsection (1), the condominium authority may not set a fee, cost or charge described in clause (1)(b) unless,

“(a) the proposed fee, cost or charge has been published on the condominium authority’s website for a minimum period of at least six months; and

“(b) the minister does not veto the proposed fee, cost or charge during the period referred to in clause (a).”

The Vice-Chair (Mr. Peter Z. Milczyn): Debate and comment? Mr. McDonell.

Mr. Jim McDonell: I believe that the public has a right to know whether authority fees are set to increase. The minister must retain the ultimate veto power over fee increases in order to properly protect condo owners from authority overreach. We have similar issues with apartments where there are limits to what the increases can be, tied back to the consumer price index. It’s not doing this, but at least it allows members of the condo to understand if there are fees proposed to be increased and it allows them some time to react to them.

The Vice-Chair (Mr. Peter Z. Milczyn): Further debate and comment? Mr. Ballard.

Mr. Chris Ballard: Again, I would recommend against the motion because allowing the veto power is inconsistent with other administrative agreements.

I know the MGCS body that does have Lieutenant Governor in Council appointments is in the process of being converted into a DAA with minister appointments. So the example that the third party uses is invalid. It’s the Board of Funeral Services that is becoming the Bereavement Authority of Ontario.

I just wanted to get that on the record and, also, remind us all that administrative authorities are self-funded, independent organizations and the government’s role is to provide oversight, rather than directly make operational decisions.

The Vice-Chair (Mr. Peter Z. Milczyn): Further debate and comment? Mr. McDonell.

Mr. Jim McDonell: I believe that when we talk about veto power, we’re just allowing for the possibility that the government may—it would not be a usual thing, I would hope, that they would have to exercise this, but it allows them the power to exercise some control over increases that they may see to be unreasonable.

The Vice-Chair (Mr. Peter Z. Milczyn): Further debate and comment? We are ready to vote on this amendment. All those in favour? All those opposed? The amendment does not carry.

We’ve completed the proposed amendments to this section. Shall schedule 1, section 2, as amended, carry? Debate—

Interjection: Carried.

The Vice-Chair (Mr. Peter Z. Milczyn): Debate and comment?

Mr. Chris Ballard: We’re eager.

The Vice-Chair (Mr. Peter Z. Milczyn): I know you are.

Interjections.

The Vice-Chair (Mr. Peter Z. Milczyn): Is there debate and comment?

Mr. Chris Ballard: No.

The Vice-Chair (Mr. Peter Z. Milczyn): All those in favour? All those opposed? It is carried.

The next section is schedule 1, section 3. There are no proposed amendments. Is there debate and comment? No? Shall schedule 1, section 3 carry? All those in favour? Opposed? That carries.

The next section: schedule 1, section 4. There are no amendments proposed. Is there debate and comment? No? Shall schedule 1, section 4 carry? All those in favour? Opposed? That carries.

On to schedule 1, section 5. There are proposed amendments; motion number 21 from the official opposition. I just want to point out to the members of the committee that there was a typo where it says, “schedule 1 to the bill, section 2.” It’s supposed to say, “section 5.” That’s the section we’re on.

Mr. Toby Barrett: Thank you for pointing that out, Chair.

The Vice-Chair (Mr. Peter Z. Milczyn): Mr. Barrett?

Mr. Toby Barrett: I move that subsection 1.32(2) of the Condominium Act, 1998, as set out in section 5 of schedule 1 to the bill, be struck out and the following substituted:

“Members

“(2) The Lieutenant Governor in Council may appoint members to the tribunal as part-time or full-time members for terms of up to four years.”

The Vice-Chair (Mr. Peter Z. Milczyn): Debate and comment? Mr. McDonell?

Mr. Jim McDonell: Administrative tribunals in Ontario are appointed independently through orders in council, such as the Landlord and Tenant Board, the Assessment Review Board, the Social Benefits Tribunal and others. The condo tribunal should be appointed to the same standard. Again, OIC appointments are not cumbersome, and they’re very common.

The Vice-Chair (Mr. Peter Z. Milczyn): Further debate and comment? Mr. Ballard?

Mr. Chris Ballard: The bill’s intent is to allow the tribunal to function as part of the condo authority as a way of improving dispute resolution from an arm’s-length organization. I would recommend we vote against this motion because the proposed amendment creates a serious consolidation risk in that an organization subject to government oversight may have to become part of government and therefore be paid for by government.

The Vice-Chair (Mr. Peter Z. Milczyn): Further debate and comment? Mr. Barrett?

Mr. Toby Barrett: We know that Tarion, for example, is not paid for by government, but I just don’t think that’s a justification to give this amount of power to the condominium authority. I’m just concerned about what kind of an organization we are building here.

The Vice-Chair (Mr. Peter Z. Milczyn): Mr. McDonell?

Mr. Jim McDonell: I agree with Mr. Barrett. I think it’s dangerous when we set these up. We put it at arm’s length. It should always be reviewable by agencies such as the government agencies standing committee. I’m not sure why we would be worried about having that subject to review of a committee of the House.

We see many examples where things get out of hand where the government, for some reason, turns a blind eye, as they've done in Ornge and other arm's-length agencies of the province of Ontario. It has got us into serious trouble and wasted billions of dollars.

The Vice-Chair (Mr. Peter Z. Milczyn): Further debate and comment? No? We're ready to vote on this motion. All those in favour? All those opposed? The motion does not carry.

Motion number 22: official opposition. Mr. Barrett.

Mr. Toby Barrett: The committee will notice the correction changing section 2 to section 5.

I move that subsection 1.33(1) of the Condominium Act, 1998, as set out in section 5 of schedule 1 to the bill, be amended by striking out "The condominium authority" at the beginning and substituting "The Lieutenant Governor in Council".

The Vice-Chair (Mr. Peter Z. Milczyn): Debate and comment?

Mr. Jim McDonell: Again, we believe that the make-up of the tribunal should be determined in a transparent manner through order-in-council appointments like other administrative tribunals in Ontario.

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In some ways, this is unique that we're making sure that we have no way of reviewing the appointments. This is certainly something we do with many other of the similar agencies that we've pointed out before. I'm not sure why the government would be against this change. It would add certainly a lot more transparency.

The Vice-Chair (Mr. Peter Z. Milczyn): Further debate and comment? Mr. Ballard.

Mr. Chris Ballard: Thank you, Mr. Chair. As with the previous motion, I recommend that we vote against this motion. As I stated previously, the proposed amendment creates a serious consolidation risk in that an organization subject to government oversight may have to become part of government and therefore be paid for by government.

The bill's intent is to allow the tribunal to function as part of the condo authority as a way of improving dispute resolution from an arm's-length organization.

The Vice-Chair (Mr. Peter Z. Milczyn): Further debate and comment? Mr. McDonell.

Mr. Jim McDonell: As I say, we have many other tribunals in Ontario that work fine with this. I don't see the issue. I'm not quite sure of the rationale—why we would set this one up differently.

The Vice-Chair (Mr. Peter Z. Milczyn): Further debate and comment? Are we prepared to vote on this item? All those in favour? All those opposed? The item does not carry.

Opposition motion 23: Again, please note the typographical error. It's section 5, not section 2.

Mr. Toby Barrett: I move that section 1.34 of the Condominium Act, 1998, as set out in section 5 of schedule 1 to the bill, be amended by striking out "The condominium authority" at the beginning and substituting "The Lieutenant Governor in Council".

The Vice-Chair (Mr. Peter Z. Milczyn): Debate and comment? Mr. McDonell.

Mr. Jim McDonell: Again, it's our goal, as you see by many of our amendments, to try to make this tribunal work as well as possible. Public scrutiny should never be an issue. It seems to be, with the government over this bill—why are we setting up another board like Tarion, which I receive many, many complaints on? I guess we're just looking at that type of thing being set up on this one as well.

The Vice-Chair (Mr. Peter Z. Milczyn): Further debate and comment? Mr. Ballard.

Mr. Chris Ballard: Thank you, Mr. Chair. My concern with this motion—again, I would recommend voting against it—is that it would remove the condominium authority's power to terminate appointments made to the Condominium Authority Tribunal.

Again, the proposed amendment creates that serious consolidation risk in that an organization that is subject to government oversight may have to become part of government and therefore be paid for by government. The bill's intent is to allow the tribunal to function as part of the condominium authority as a way of improving dispute resolution from an arm's-length organization.

The Vice-Chair (Mr. Peter Z. Milczyn): Further debate and comment? Mr. McDonell.

Mr. Jim McDonell: There are many, many boards and agencies in this province where the government actually, through an order in council, appoints people, and the costs are not covered by the government. So I'm not sure why that's being brought up. I suppose the government always has the potential—if they want to do that, they can. But they do also have the right to set the administration rules around this tribunal.

The Vice-Chair (Mr. Peter Z. Milczyn): Further debate and comment. Mr. Ballard?

Mr. Chris Ballard: I just wanted to state again that in the Ministry of Government and Consumer Services, the only body that has a Lieutenant Governor in Council appointment is in the process of being converted to a DAA.

The Vice-Chair (Mr. Peter Z. Milczyn): Further debate and comment? Then we'll put this to a vote. All those in favour? All those opposed? The motion does not carry.

There are no further amendments listed and there were no amendments adopted. So shall schedule 1, section 5 carry? Is there any debate or comment?

Mr. Jim McDonell: Just to say that we're disappointed that we couldn't put in any appointments that would allow us a little bit more oversight over this tribunal.

The Vice-Chair (Mr. Peter Z. Milczyn): Further debate and comment? No? We shall then vote. Shall schedule 1, section 5 carry? All those in favour? All those opposed? Carried.

We now move on to schedule 1, section 6. There are a number of amendments that have been tabled.

Motion number 24: Mr. Barrett.

Mr. Toby Barrett: Again, I'll point out a typo to the committee: Where it says "section 2"—it has been struck out. We are now, as we know, in section 6.

I move that subsection 1.36(1) of the Condominium Act, 1998, as set out in section 6 of schedule 1 to the bill, be amended by striking out “prescribed”.

The Vice-Chair (Mr. Peter Z. Milczyn): Debate and comment? Mr. McDonnell?

Mr. Jim McDonnell: This amendment removes the limitation that a dispute must be permitted in regulation.

The Vice-Chair (Mr. Peter Z. Milczyn): Further debate and comment? Mr. Ballard.

Mr. Chris Ballard: I have a problem with this motion and would recommend voting against it. The tribunal, Mr. Chair, was designed to provide fast, inexpensive dispute resolution. My fear is that this amendment compromises its objective by overburdening it.

The Vice-Chair (Mr. Peter Z. Milczyn): Further debate and comment? We'll vote on this motion. All those in favour? All those opposed? The motion is lost.

Official opposition motion 25: Just to note, there's a typographical error. It's section 6, not section 2. Mr. Barrett.

Mr. Toby Barrett: I move that subsection 1.36(2) of the Condominium Act, 1998, as set out in section 6 of schedule 1 to the bill, be amended by striking out “prescribed”.

The Vice-Chair (Mr. Peter Z. Milczyn): Debate and comment?

Mr. Jim McDonnell: Same as the last one.

The Vice-Chair (Mr. Peter Z. Milczyn): Further debate and comment? Mr. Ballard.

Mr. Chris Ballard: I'll simply say what I said last time: The tribunal was designed to provide fast, inexpensive dispute resolution. My fear is that this amendment compromises its objective by overburdening it, and I would recommend that we vote against it.

The Vice-Chair (Mr. Peter Z. Milczyn): Further debate and comment? We'll vote on this. All those in favour of the amendment? All those opposed? The amendment does not carry.

Motion number 26: Again, please note the typographical error. Mr. Barrett.

Mr. Toby Barrett: I move that section 1.36 of the Condominium Act, 1998, as set out in section 6 of schedule 1 to the bill, be amended by adding the following subsection:

“Same, by corporation

“(2.1) A corporation may apply to the tribunal for a resolution of a dispute with the condominium authority with respect to an assessment under section 1.30 within 90 days of the assessment.”

The Vice-Chair (Mr. Peter Z. Milczyn): Debate and comment? Mr. McDonnell.

Mr. Jim McDonnell: Without this appeal power, the authority would have the final say on charges to corporations without the right to appeal. There must be a system of checks and balances. We try to retain the minister's power to veto fee increases. This amendment ensures corporations can appeal against fees assessed to them by the condo authority and is an essential guarantee of justice.

The Vice-Chair (Mr. Peter Z. Milczyn): Further debate and comment? Mr. Ballard.

Mr. Chris Ballard: Again, I can raise three points related to why I would recommend voting against the motion. I think it's not appropriate for the tribunal to resolve disputes relating to fees assessed by the authority because the authority administers the tribunal. It may create an actual or perceived conflict of interest. The third is that condo corporations would have the ability to go to court to review a fee assessment.

The Vice-Chair (Mr. Peter Z. Milczyn): Further debate and comment? We'll vote on this motion. All those in favour? All those opposed? The motion is lost.

Official opposition motion 27: Again, please note the typographical error. Mr. Barrett.

Mr. Toby Barrett: I move that subsection 1.36(3) of the Condominium Act, 1998, as set out in section 6 of schedule 1 to the bill, be amended by striking out “if the regulations so provide” at the beginning.

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I'm not batting very well. I haven't had a motion accepted yet by the government, to my knowledge. Maybe there's hope.

Mr. Chris Ballard: There are 121 or more, or something like that—

The Vice-Chair (Mr. Peter Z. Milczyn): Keep pitching them. Sunny days; sunny ways.

Debate and comment?

Mr. Jim McDonnell: Subsection 55(3) governs the disclosure of key documents such as the declarations, the corporation's financial situation, performance, audit results and reserve fund study results for a purchaser. These are key documents on which to base their investment decision. There must be an avenue to resolve disputes related to full and timely disclosure, and this amendment achieves good balance between a purchaser's right and their status as a not yet full owner of a unit.

We just think that if you're looking at purchasing a unit, you should have as much information as you can. This information should be available to them.

The Vice-Chair (Mr. Peter Z. Milczyn): Further debate and comment? Mr. Ballard?

Mr. Chris Ballard: I just have one major issue why I would recommend voting against the motion. In our view, it would impair the phased implementation and create inconsistent rights with respect to access to records.

The Vice-Chair (Mr. Peter Z. Milczyn): Further debate and comment? All right, we'll vote on the amendment. All those in favour? All those opposed? The motion does not carry.

NDP motion 28: Mr. Vanthof? Again, there's a typographical error there.

Mr. John Vanthof: I would like to withdraw motion 28.

The Vice-Chair (Mr. Peter Z. Milczyn): All right. Mr. Vanthof withdraws motion 28.

NDP motion 29.

Mr. John Vanthof: Again, I'd like to ask the committee's indulgence for a typographical error.

I move that section 1.36 of the Condominium Act, 1998, as set out in section 6 of schedule 1 to the bill, be amended by adding the following subsections:

“Residential tenants

“(4.1) An owner who is a landlord may not apply to the tribunal with respect to a dispute with a residential tenant of the owner. Where any other person applies to the tribunal with respect to a dispute with a residential tenant, no order of the tribunal may be made that will result in the eviction of the residential tenant.

“Notice where residential tenants involved

“(4.2) Where an application is made to the tribunal or the Superior Court with respect to a dispute with a residential tenant of a unit, notice must first be given to the owner of the unit.”

The Vice-Chair (Mr. Peter Z. Milczyn): Debate and comment?

Mr. John Vanthof: Basically, this is to avoid a conflict with the Residential Tenancies Act. If it comes to an eviction, it should be done under that act and not under this legislation.

The Vice-Chair (Mr. Peter Z. Milczyn): Further debate and comment? Mr. Ballard?

Mr. Chris Ballard: I understand exactly where the NDP are coming from. I would, however, recommend voting against the motion because we’ve already put government motions that propose a comprehensive set of amendments that clarify when and how occupiers, including residential tenants, can be permanently removed from the condominium property. So I hear you and I believe that’s in motion through one of our motions already.

The Vice-Chair (Mr. Peter Z. Milczyn): Further debate and comment? No? We’re prepared to vote on this motion? All those in favour?

Ms. Ann Hoggarth: I have a question.

The Vice-Chair (Mr. Peter Z. Milczyn): Ms. Hoggarth.

Ms. Ann Hoggarth: If we vote against this motion—
Interjection.

Ms. Ann Hoggarth: Okay. Never mind. I was just thinking.

The Vice-Chair (Mr. Peter Z. Milczyn): All right. So we’re about to vote. All those in favour of the motion? All those opposed? The motion does not carry.

NDP motion 30: There’s a typographical error. Mr. Vanthof?

Mr. John Vanthof: I move that subsection 1.36(6) of the Condominium Act, 1998, as set out in section 6 of schedule 1 to the bill, be amended by adding “unless a longer period is prescribed” at the end.

The Vice-Chair (Mr. Peter Z. Milczyn): Debate and comment? Mr. Ballard.

Mr. Chris Ballard: I think that the two-year limitation period that’s proposed is consistent with other tribunals. As well, the tribunal has the ability to extend the limitation period for an additional year if it deems it appropriate.

I think that’s appropriate, and I would recommend voting against the motion.

The Vice-Chair (Mr. Peter Z. Milczyn): Further debate and comment? Mr. McDonnell?

Mr. Jim McDonnell: It can take more than two years to detect certain dispute matters such as defects and bad management practices. We support extending the statute of limitations for certain disputes and we trust the minister will prescribe those wisely.

The Vice-Chair (Mr. Peter Z. Milczyn): Further debate and comment? We’re prepared to vote on motion 30. All those in favour? All those opposed? The motion does not carry.

NDP motion 31: Please note the typographical error.

Mr. John Vanthof: I move that section 1.40 of the Condominium Act, 1998, as set out in section 6 of schedule 1 to the bill, be struck out.

The Vice-Chair (Mr. Peter Z. Milczyn): Debate and comment? Mr. Ballard?

Mr. Chris Ballard: A concern I have is that removing the ability of the tribunal to direct parties to participate in an alternative dispute resolution as part of the tribunal’s proceedings would discourage the early resolution of disputes and may increase costs to both the tribunal and the parties. For that I would recommend that we vote against the motion.

The Vice-Chair (Mr. Peter Z. Milczyn): Further debate and comment? We’re ready to vote on motion 31. All those in favour? All those opposed? The motion does not carry.

Government motion number 32. Mr. Ballard.

Mr. Chris Ballard: This is obviously with regard to schedule 1, section 6. I move that subsection 1.44(1) of the Condominium Act, 1998, as set out in section 6 of schedule 1 to the bill, be amended by striking out the portion before paragraph 1 and substituting the following:

“Orders at end of proceeding

“(1) Subject to subsection 4, in all proceeding before the tribunal, the tribunal may make any of the following orders:”

Interjection.

The Vice-Chair (Mr. Peter Z. Milczyn): Mr. Ballard, the Clerk is pointing out that you didn’t read it as it’s written. It says “in a proceeding.”

Mr. Chris Ballard: Sorry, whereabouts? Let me do that again, then. Shall I?

The Vice-Chair (Mr. Peter Z. Milczyn): For the record, please.

Mr. Chris Ballard: For the record. I move that subsection 1.44(1) of the Condominium Act, 1998, as set out in section 6 of schedule 1 to the bill, be amended by striking out the portion before paragraph 1 and substituting the following:

“Orders at end of proceeding

“(1) Subject to subsection 4, in a proceeding before the tribunal, the tribunal may make any of the following orders:”

The Vice-Chair (Mr. Peter Z. Milczyn): Debate and comment. Mr. Ballard?

Mr. Chris Ballard: The reason that this is being put forward is that it addresses potential for conflict between the tribunal’s jurisdiction and the Residential Tenancies

Act and it's consistent with a concern brought forward by the NDP.

It adds consistency to existing policy in Bill 106 to exclude from the tribunal's jurisdiction disputes regarding serious non-compliance that leads to damage, illness or injury. It helps ensure that the extraordinary remedy of permanent removal can be pursued only in the courts, or if the dispute is between a landlord and a resident tenant under the RTA. It supports related proposed amendments that intended to reduce the potential for conflict between the Condominium Act and the RTA, and clarifies when and how courts may order the permanent removal of a person, including a tenant, from a condominium property.

The Vice-Chair (Mr. Peter Z. Milczyn): Further debate and comment? We're ready to vote on motion 32. All those in favour? Opposed? The motion is carried.

Opposition motion number 33. Please note the typographical error again.

1010

Mr. Toby Barrett: Yes. Also, Chair, with respect to amendment number 33, amendment 26 was defeated, and my understanding is that this amendment, 33, would be out of order, so we would withdraw. If I can confirm that.

The Vice-Chair (Mr. Peter Z. Milczyn): Yes, it would be out of order, Mr. Barrett, so yes, it's withdrawn.

Government motion number 34.

Mr. Chris Ballard: Again with regard to schedule 1, section 6, I move that section 1.44 of the Condominium Act, 1998, as set out in section 6 of schedule 1 to the bill, be amended by adding the following subsection:

"No order for permanent removal of person

"(4) The tribunal shall not make an order requiring a person to vacate a property permanently."

The Vice-Chair (Mr. Peter Z. Milczyn): Debate and comment?

Mr. Chris Ballard: If I could just make a comment: This amendment addresses potential for conflict between the tribunal's jurisdiction and the Residential Tenancies Act. It adds that consistency to existing policy in Bill 106 to exclude from the tribunal's jurisdiction disputes regarding serious non-compliance that leads to damage, illness or injury. It helps ensure that the extraordinary remedy of permanent removal can be pursued only in the courts or if the dispute is between a landlord and a residential tenant under the RTA and it supports related proposed amendments that are intended to reduce the potential for conflict between the Condominium Act and the RTA, and clarify when and how courts may order the permanent removal of a person, including a tenant, from a condominium property.

The Vice-Chair (Mr. Peter Z. Milczyn): Further debate and comment? We're prepared to vote on this amendment? All those in favour? All those opposed? The motion is carried.

Official opposition motion 35.

Mr. Toby Barrett: This is on two pages. It's on the back of this page as well.

I move that section 1.47 of the Condominium Act, 1998, as set out in section 6 of schedule 1 to the bill, be struck out and the following substituted:

"Settlement or arbitration

"1.47(1) If the parties to a proceeding that is the subject of an application agree to a settlement in writing and sign the settlement or agree to a binding arbitration, the settlement or arbitration is binding on the parties.

"Consent order

"(2) The tribunal may, on the joint motion of the parties to a settlement or arbitration described in subsection (1), make an order requiring compliance with the settlement or arbitration or any part of the settlement or arbitration.

"Application where contravention

"(3) A party to a settlement or arbitration described in subsection (1) who believes that another party has contravened the settlement or arbitration may make an application to the tribunal for an order under subsection (6),

"(a) within six months after the contravention to which the application relates; or

"(b) after the expiry of the time limit described in clause (a) if the tribunal is satisfied that the delay in applying was incurred in good faith and no substantial prejudice will result to any person affected by the delay.

"Form of application

"(4) An application under subsection (3) shall be in the form the tribunal approves.

"Parties

"(5) Subject to the rules of the tribunal, the parties to the proceeding that is the subject of the application are the parties to the settlement or arbitration and any other person that the tribunal adds as a party.

"Order

"(6) If, on an application under subsection (3), the tribunal determines that a party has contravened the settlement or arbitration, the tribunal may make an order that it considers appropriate to remedy the contravention."

The Vice-Chair (Mr. Peter Z. Milczyn): Debate or comment? Mr. McDonell.

Mr. Jim McDonell: There is already an option for the tribunal to order parties to go to ADR. This amendment makes sure that the parties can opt for that.

The Vice-Chair (Mr. Peter Z. Milczyn): Further debate and comment? Mr. Ballard.

Mr. Chris Ballard: I think this motion would be a substantial new use of the tribunal that would require more analysis and consultation. The tribunal was not intended to allow parties to contract out matters within its scope and proceed by private arbitration. I think for those two points, I would recommend we vote against it.

The Vice-Chair (Mr. Peter Z. Milczyn): Further debate and comment? We're prepared to vote on the motion? All those in favour? All those opposed? The motion is not carried.

We've completed—

Ms. Ann Hoggarth: Chair?

The Vice-Chair (Mr. Peter Z. Milczyn): Ms. Hoggarth?

Ms. Ann Hoggarth: Would it be all right—with the other side, too—if we bundle the schedule 1 section?

The Vice-Chair (Mr. Peter Z. Milczyn): No, Ms. Hoggarth. We're not quite there yet.

Ms. Ann Hoggarth: I'm sorry.

The Vice-Chair (Mr. Peter Z. Milczyn): We've completed the proposed amendments to schedule 1, section 6. Is there further debate and comment? Shall schedule 1, section 6, as amended—Mr. McDonell?

Mr. Jim McDonell: Yes, I just think we've added some amendments that we think would strengthen the bill and be worthwhile. The bill is important to put through; it's very timely. Anyway, we're just disappointed that some of our amendments didn't carry. That's all.

The Vice-Chair (Mr. Peter Z. Milczyn): Further debate and comment? No? Shall schedule 1, section 6, as amended, carry? All those in favour? All those opposed? That is carried.

Ms. Hoggarth, I know where you wanted to go, but looking at the clock, I will recess until 2 p.m. this afternoon.

The committee recessed from 1015 to 1402.

The Vice-Chair (Mr. Peter Z. Milczyn): Good afternoon, members. I'll call the meeting back to order. We're doing quite well. This morning, we were moving along quite well. We got through to motion 35, and our last vote was on schedule 1, section 6, as amended.

There are no amendments proposed to the next three sections of schedule 1—sections 7, 8 and 9—and I would suggest to the committee that we might speed things along by voting on them in a block, but it's up to the members of the committee. Any objections?

Mr. Jagmeet Singh: No objection on the part of the NDP.

The Vice-Chair (Mr. Peter Z. Milczyn): Any comment or debate on those sections? No. I'll take a vote on the adoption of schedule 1, section 7; schedule 1, section 8; and schedule 1, section 9. All those in favour? Opposed? Those sections are carried.

Next is motion number 36 from the official opposition.

Mr. Jim McDonell: I move that subsection 10(9) of schedule 1 to the bill be struck out.

The Vice-Chair (Mr. Peter Z. Milczyn): Comment and debate? Mr. Singh.

Mr. Jagmeet Singh: I'm just wondering what the rationale is for that portion.

Mr. Jim McDonell: We see no reason to amend the current form of subsection 7(5) of the Condominium Act with a provision that a declaration need not be reasonable. The provisions of the Condominium Act ensure that declarations comply with Ontario law—no exceptions—so the amendment preserves the provision that is already in place today.

Mr. Jagmeet Singh: Okay.

The Vice-Chair (Mr. Peter Z. Milczyn): Further comment and debate? Mr. Ballard?

Mr. Chris Ballard: I would argue against the motion. I think that subsection 10(9) of schedule 1 is consistent with the existing case law. The subsection allows purchasers to choose a declaration without being subject to a

reasonableness standard, and if owners do not support their declaration, they don't have to buy. Purchasers want certainty that rules and restrictions they commit to will not be subject to an objective reasonableness standard. For those three points, I would ask us to recommend against voting for the motion.

The Vice-Chair (Mr. Peter Z. Milczyn): Further comment and debate? We'll vote on motion number 36. All those in favour? All those opposed? The motion does not carry.

There are no further amendments to this section.

Is there any further comment or debate on schedule 1, section 10? We'll move on to vote. Shall schedule 1, section 10 carry? All those in favour? Opposed? That carries.

The next two sections of schedule 1, section 11 and section 12: There are no amendments proposed. I'd recommend that we vote on them as a block. Is there any objection?

Mr. Jagmeet Singh: No objection.

The Vice-Chair (Mr. Peter Z. Milczyn): Any debate or comment? Shall schedule 1, sections 11 and section 12 be carried? All in favour? Opposed? They are carried.

Motion number 37, from the official opposition: Mr. Barrett.

Mr. Toby Barrett: I move that subsections 11(7) and (8) of the Condominium Act, 1998, as set out in subsection 13(2) of schedule 1 to the bill, be struck out.

The Vice-Chair (Mr. Peter Z. Milczyn): Comment and debate? Mr. McDonell?

Mr. Jim McDonell: The rationale is, we do not see why a condo board should be able to ignore a regulation made under this act. The amendment assures that if a regulation is made regarding—what constitutes a unit or the common elements the condo industry applies.

The Vice-Chair (Mr. Peter Z. Milczyn): Further comment? Mr. Ballard.

Mr. Chris Ballard: I look at this amendment as removing sections that enable condo corporations' ability to carry out matters to change assets—amend the declarations, sell properties or part of common elements. The rationale for the motion—to me, it's not apparent, so I would move that we recommend that we vote against the motion. It potentially limits the ability of condo corporations to manage themselves effectively.

The Vice-Chair (Mr. Peter Z. Milczyn): Further comment and debate? We'll go to voting on motion number 37. All those in favour? All those opposed? The motion does not carry.

There are no further amendments to section 13 of schedule 1. Is there any debate or comment on the section? I will proceed to voting. Shall schedule 1, section 13, carry? All those in favour? Opposed? That carries.

The next two sections of the bill, sections 14 and 15: There are no amendments proposed. Again, I recommend we vote on them together. Is there any objection to that? Any comment or debate on those sections? Shall schedule 1, section 14 and section 15, be carried? All in favour? Opposed? Those sections are carried.

On schedule 1, section 16, there is a proposed amendment from the official opposition: motion number 38. Mr. Barrett.

Mr. Toby Barrett: I move that subsection 19(2) of the Condominium Act, 1998, as set out in section 16 of schedule 1 to the bill, be struck out and the following substituted:

“Same, no notice

“(2) Subject to any conditions or restrictions in the regulations, the corporation or a person authorized by the corporation may enter the unit or part of the common elements of which the owner has exclusive use without prior notice to the owner in the event of an emergency or other event or circumstance as is prescribed.”

1410

The Vice-Chair (Mr. Peter Z. Milczyn): Comment or debate? Mr. McDonnell?

Mr. Jim McDonnell: Stakeholders have asked us to remove the emergency access provisions from declarations or bylaws because it takes significant time and effort to amend. Regulation is a fast and flexible way to respond to consumers and industry needs in this situation.

The Vice-Chair (Mr. Peter Z. Milczyn): Further comment or debate? Mr. Ballard?

Mr. Chris Ballard: My belief is that the current bill improves the law related to right of entry while allowing maximum flexibility for corporations across the province. Provision does not prevent the right of entry in an emergency, but improves on the current act by allowing corporations to identify additional situations where entry without notice might be allowed. For the few corporations that do not have a bylaw or declaration that already addresses the issue, the right of entry can be addressed through standard bylaw or declaration provisions as permitted under the regulations. I think it's covered well under the proposed legislation, and I would recommend us voting against this motion.

The Vice-Chair (Mr. Peter Z. Milczyn): Further comment or debate? None? Then we shall vote. Shall motion number 38 be carried? All those in favour? All those opposed? That does not carry.

There are no further amendments to this section. Is there any further debate or comment on schedule 1, section 16? No? Then shall schedule 1, section 16 carry? All those in favour? Opposed? It's carried.

There are no amendments proposed to schedule 1, section 17. Is there any debate or comment? All right. Shall schedule 1, section 17 carry? All those in favour? Opposed? That is carried.

Schedule 1, section 18: There is NDP motion number 39. Mr. Singh?

Mr. Jagmeet Singh: I move that section 21.1 of the Condominium Act, 1998, as set out in section 18 of schedule 1 to the bill, be amended by adding the following subsections:

“When joint bylaw effective

“(4.1) A joint bylaw is not effective until,

“(a) the majority of the owners of the units of each corporation vote in favour of confirming it, with or without amendment; and

“(b) each corporation registers a copy of it in accordance with the prescribed procedures.

“Joint meeting

“(4.2) The vote of the owners under clause (4.1)(a) may be at a joint meeting of the corporations duly called for that purpose.”

The Vice-Chair (Mr. Peter Z. Milczyn): Comment or debate?

Mr. Jagmeet Singh: This is an issue that's been brought up by stakeholders. This would allow for greater participation for the owners and give them a stronger voice.

The Vice-Chair (Mr. Peter Z. Milczyn): Further comment and debate? Mr. Ballard?

Mr. Chris Ballard: I agree. This has been raised by stakeholders; however, shared facility bylaws are, in our opinion, best addressed in regulations, after further consultation with stakeholders. The bill proposes to address this in regulations to take into account the wide array of possible shared facility arrangements.

We have heard stakeholders, and it would be the intent to address this in regulations after further consultations. So I don't see a need for us to vote in favour of this amendment.

The Vice-Chair (Mr. Peter Z. Milczyn): Further comment or debate? Mr. McDonnell?

Mr. Jim McDonnell: I'm just a bit surprised. In this case here, regulation is a better way of handling it, but it hasn't been in the regulation before. As we said before, stakeholders have asked for this, and we were hoping to put that one in regulation. Anyway, that's just a comment.

The Vice-Chair (Mr. Peter Z. Milczyn): Mr. Singh?

Mr. Jagmeet Singh: Through you, Chair, Mr. Ballard, I appreciate you acknowledging that this is an issue that's been brought up. I appreciate that.

I'll just make this comment now; it might come up again and again. In general, I find that, too often, we rely on regulations to address issues that can be dealt with by legislation. Legislation offers an opportunity for us to debate it, for members to have a voice in it. Regulation doesn't have that same ability for member participation. Certain issues which are well acknowledged and well established as concerns should be addressed in legislation; instead, we see a growing trend towards increasingly shifting the responsibility of legislating into regulation, as opposed to the actual bill. So, it's a comment in general, but in specific with respect to this bill.

The Vice-Chair (Mr. Peter Z. Milczyn): Further comment and debate? Seeing none, shall motion number 39 be carried? All those in favour? Those opposed? The motion is not carried.

There are no further amendments to schedule 1, section 18. Any further comment or debate?

Mr. Jagmeet Singh: No.

The Vice-Chair (Mr. Peter Z. Milczyn): Shall schedule 1, section 18 be carried? All those in favour? Those opposed? That carries.

There are no amendments proposed to schedule 1, sections 19 through 22. Is there any objection to voting on those as a block? Any further comment or debate? No?

Shall schedule 1, sections 19, 20, 21 and 22 be carried? All those in favour? All those opposed? Those sections are carried.

In schedule 1, section 23, we have an amendment from the official opposition, number 40. Mr. McDonell.

Mr. Jim McDonell: We're wondering if we could stand this motion down until just before motion number 42. Because of a technicality, if we put it in now, motions number 41.1 and 41.2—it's looking at deleting, so—

The Vice-Chair (Mr. Peter Z. Milczyn): Is there any objection? No? All right. We'll stand that one down until number 42.

The next motion is government motion number 41. Mr. Ballard.

Mr. Chris Ballard: I move that sections 26.2 and 26.3 of the Condominium Act, 1998, as set out in section 23 of schedule 1 to the bill, be struck out.

The Vice-Chair (Mr. Peter Z. Milczyn): Comment and debate?

Mr. Jim McDonell: Is there more to that or—

The Vice-Chair (Mr. Peter Z. Milczyn): Mr. Ballard.

Mr. Chris Ballard: Well, we do have motions number 41.1, 41.2 and 42. Would you like me to go through 41.1 and 41.2, or can we vote on them one at a time?

The Vice-Chair (Mr. Peter Z. Milczyn): No, we have to do them separately.

Mr. Chris Ballard: That's what I figured. So, we're on 41.

The Vice-Chair (Mr. Peter Z. Milczyn): Comment and debate?

Mr. Jagmeet Singh: If I understand this correctly, you're striking it down in 41 and then replacing it with 41.1 and 41.2?

Mr. Chris Ballard: Yes.

Mr. Jagmeet Singh: If you could briefly summarize the purpose for—the procedure; I understand procedurally why you need to strike it out first before suggesting it. But what is the purpose, I guess, of 41.1 and 41.2?

Mr. Chris Ballard: We're amending the following sections 26.2, looking at existing remedies and boards affected—I can go through 41.1. I can read the amendment to you, enter the amendments into the record; 41.2, for example—

The Vice-Chair (Mr. Peter Z. Milczyn): Mr. Ballard, I think that legislative counsel wants to comment.

Mr. Michael Wood: I believe that I could assist the committee here.

Mr. Chris Ballard: Thank you.

Mr. Michael Wood: The package of motions actually doesn't change the text of sections 26.1, 26.2 and 26.3 of the act. What the motions do is that they split those up into three separate portions so that they can be proclaimed in force at different times if the government so chooses, assuming that the bill, as amended, passes.

Mr. Jagmeet Singh: I see.

1420

The Vice-Chair (Mr. Peter Z. Milczyn): Thank you for that clarification. So, further comments and debates on motion number 41? No? I'll put the vote. Shall motion number 41 be carried? All those in favour? Opposed? That is carried.

The next one: schedule 1, section 23.1, government motion 41.1.

Mr. Chris Ballard: I move that schedule 1 to the bill be amended by adding the following section:

"23.1 The act is amended by adding the following section:

"Existing remedies

"26.2(1) Unless the regulations provide otherwise, nothing in a declaration, a bylaw, an agreement or an instrument affects any remedy that the corporation may have at law against a declarant or a declarant affiliate until a board of the corporation described in subsection (2) decides otherwise.

"Board affected

"(2) A board of a corporation mentioned in subsection (1) is a new board elected at a turnover meeting held under section 43 or a subsequent board, but does not include,

"(a) a new board elected pursuant to subsection 152(6); or

"(b) a board if a majority of the directors on it are those who were elected at any time when the declarant or a declarant affiliate, individually or jointly, owned a majority of the units in the corporation."

The Vice-Chair (Mr. Peter Z. Milczyn): Comment or debate? Mr. Singh?

Mr. Jagmeet Singh: This is an amendment to the original bill. Again, what I was asking before: How does this improve protection for the condominium owner, or how does it provide enhanced—

Mr. Chris Ballard: I think, very briefly, that what these changes allow for is phased implementation by allowing the proposed new section in Bill 106, section 23, to be proclaimed into force at different times. Let's get the ball rolling sooner rather than later.

Mr. Jagmeet Singh: Sounds good.

The Vice-Chair (Mr. Peter Z. Milczyn): Further comment or debate? Then we'll proceed to voting on motion 41.1. Shall motion 41.1 be carried? All those in favour? Opposed? That is carried.

There are no further amendments to this section. Shall schedule 1—

Mr. Chris Ballard: We have 41.2.

The Vice-Chair (Mr. Peter Z. Milczyn): Okay, all right. So government motion 41.2.

Mr. Chris Ballard: I move that schedule 1 to the bill be amended by adding the following section:

"23.2 The act is amended by adding the following section:

"Information certificate to owners

"26.3 A corporation shall send to the owners,

"(a) at least once every three months or at such other time periods as are prescribed, a certificate that is pre-

pared in accordance with the regulations and that contains the statements described in clauses 76(1)(d), (e) and (h), the certificate or memorandum described in clause 76(1)(p) and all other information relating to the corporation as is prescribed; and

“(b) at the prescribed times, a certificate that is prepared in accordance with the regulations and that includes all other prescribed information relating to the corporation.”

The Vice-Chair (Mr. Peter Z. Milczyn): Question and comment? Being none, we'll move to a vote. Shall motion 41.2 be carried? All those in favour? Opposed? That carries.

Now, Mr. McDonell or Mr. Barrett, we'll go back to motion number 40.

Mr. Toby Barrett: Yes; we thank the committee for permitting that deferral.

I move that section 26.3 of the Condominium Act, 1998, as set out in section 23 of schedule 1 to the bill, be amended by adding the following subsection:

“Method of delivery

“(2) The certificates and information referred to in subsection (1) may be sent by regular mail, electronic mail or any other prescribed delivery method.”

The Vice-Chair (Mr. Peter Z. Milczyn): Mr. McDonell?

Mr. Jim McDonell: Stakeholders have said that the amount of paper and resources needed to send these documents by mail is rather high—regular mail. Our amendment allows the delivery of these documents by email or other prescribed means.

The Vice-Chair (Mr. Peter Z. Milczyn): Further comment or debate? Mr. Ballard.

Mr. Chris Ballard: I see this proposed amendment as being redundant because it's already addressed in paragraph 8.1 of subsection 177(1), which deals with delivery of materials. I don't see any need to move this motion.

The Vice-Chair (Mr. Peter Z. Milczyn): Further comment or debate? Mr. McDonell.

Mr. Jim McDonell: Just to clarify, I guess the method of delivery put in place today just mentions regular mail in this section. Is that right?

Mr. Chris Ballard: Sorry, I missed the—

Mr. Jim McDonell: I'm just checking. In this section we have, as it's written today, it talks about regular mail. We're just adding in this section as well the electronic mail side of it, for clarification.

Mr. Chris Ballard: Were you looking for a comment? You were making a comment.

Mr. Jim McDonell: Yes.

Mr. Chris Ballard: Okay, thank you.

The Vice-Chair (Mr. Peter Z. Milczyn): Further comment or debate? No? We shall proceed to voting on motion number 40. Shall it be carried? All those in favour? Opposed? That motion does not carry.

We've completed schedule 1, section 23. Is there further comment or debate on schedule 1, section 23, as amended? No? Shall schedule 1, section 23, as amended, be carried? All those in favour? All those opposed? That is carried.

We now move on to schedule 1, section 24. Government motion number 42.

Mr. Chris Ballard: Schedule 1 to the bill, section 24—this is motion 42.

I move that section 24 of schedule 1 to the bill be struck out and the following substituted:

“24(1) Subsection 28(2) of the act is repealed and the following substituted:

“Notice of candidates

“(2) The notice of a meeting to elect one or more directors shall include the name and address of each individual who, for the purpose of clause 45.1(1)(a), has notified the board in writing and in accordance with the regulations, if any, of the intention to be a candidate in the election by the date specified in the preliminary notice that the board is required to send under subsection 45.1(1).”

“(2) Subsection 28(3) of the act is repealed and the following substituted:

“Notice of non-leased voting position

“(3) If, under subsection 51(6), one position on the board is reserved for voting by owners of non-leased voting units, the notice of meeting shall include,

“(a) a statement that one position on the board is reserved for voting by owners of non-leased voting units; and

“(b) a statement indicating the name and address of each individual who, for the purpose of subclause 45.1(1)(a.1)(iv), has notified the board in writing of an intention to be a candidate for the position on the board reserved for voting by owners of non-leased voting units.”

The Vice-Chair (Mr. Peter Z. Milczyn): Statements or comment? Mr. Singh.

Mr. Jagmeet Singh: It wasn't immediately apparent to me, but I don't see what the difference is—there may be a difference, but I couldn't read it when I was following along—with the existing and what you're proposing, in terms of the substance of it. Is it just the addition of the notice of a non-leased voting position only? In that substance, it seemed to be the same, unless I'm missing something, and I could very well be not reading along very well.

Mr. Chris Ballard: At a very general level, without answering your specifics—maybe counsel can give us some input—it's necessary, I understand, to support the technical amendments to section 37 of the bill in motion 11. Motion 11 supports phased implementation by allowing the proposed new subsection in Bill 106, section 37 to be proclaimed into force at different times. It's my understanding that this supports that.

1430

Mr. Jagmeet Singh: Maybe legislative counsel—just out of curiosity, it seemed to be almost the same wording. Am I missing something?

Mr. Michael Wood: Yes, you are correct that the wording of subsection 28(2) of the act, as set out in the motion, is the same as the wording that is set out in the bill. But what this does is that it allows that particular new subsection 28(2) to be proclaimed in force at a different time from the new subsection 28(3).

Mr. Jagmeet Singh: Thank you.

The Vice-Chair (Mr. Peter Z. Milczyn): Further comment or debate? No? Shall motion number 42 be carried? All those in favour? Opposed? That is carried.

There are no further amendments to section 24. Is there further comment or debate to schedule 1, section 24? No? Then shall schedule 1, section 24, as amended, be carried? All those in favour? Opposed? That is carried.

Schedule 1, section 25: There is a motion from the official opposition.

Mr. Toby Barrett: I move that subsection 29(1) of the Condominium Act, 1998, as set out in section 25 of schedule 1 to the bill, be amended by adding the following clause:

“(c.1) the person has been convicted of a contravention of this act within the previous 10 years;”

The Vice-Chair (Mr. Peter Z. Milczyn): Mr. McDonell?

Mr. Jim McDonell: Yes, we believe that actions should have consequences. If someone has been found to have broken the Condominium Act in the past 10 years, they should not be a director on the condo board.

The Vice-Chair (Mr. Peter Z. Milczyn): Mr. Ballard.

Mr. Chris Ballard: Thank you, Mr. Chair. I think that if this motion were to include minor contraventions, it would potentially make the provision overly punitive. It's my belief that the existing act includes certain requirements for directors. We would address fraud and mismanagement by strengthening accountability and transparency on condominium boards. I would urge us not to support this.

The Vice-Chair (Mr. Peter Z. Milczyn): Further debate or comment? Mr. McDonell.

Mr. Jim McDonell: We'd be willing to put in a proscribed contravention and handle that through regulation. We just think that there should be, at least—as Mr. Ballard said, if they wanted it to apply to everything but minor issues, that's fine, but right now, it's wide open. What we're hearing from stakeholders is that there are some major issues being played, and we'd like to add that extra protection for them.

The Vice-Chair (Mr. Peter Z. Milczyn): Further debate and comment? Do you wish to amend your amendment?

Mr. Jim McDonell: We would, yes.

The Vice-Chair (Mr. Peter Z. Milczyn): Do you want to stand this down or are you prepared to do it right away?

Mr. Jim McDonell: We could do it verbally. Would that work out? This is a minor change.

The Vice-Chair (Mr. Peter Z. Milczyn): No, we do need it in writing.

Mr. Jim McDonell: Okay, we can set it down.

The Vice-Chair (Mr. Peter Z. Milczyn): Mr. McDonell, are you prepared to work with legislative counsel on drafting it now?

Mr. Jim McDonell: Sure.

The Vice-Chair (Mr. Peter Z. Milczyn): Could we recess for no more than 10 minutes? All right, we're recessed for 10 minutes.

The committee recessed from 1435 to 1443.

The Vice-Chair (Mr. Peter Z. Milczyn): The committee is back in session. Mr. Barrett, have you sorted out what you want to do?

Mr. Toby Barrett: Yes. Thank you for that recess, Chair. With the permission of the committee, I'll withdraw that motion.

I wish to read in a motion with what we feel is the appropriate word changed. I'll hand this to the Clerk.

The Vice-Chair (Mr. Peter Z. Milczyn): No objections from committee?

Mr. Toby Barrett: I move that subsection 29(1) of the Condominium Act, 1998, as set out in section 25 of schedule 1 to the bill, be amended by adding the following clause:

“(c.1) the person has been convicted of an offence under this act within the previous 10 years;”

I'll hand this to the Clerk.

The Vice-Chair (Mr. Peter Z. Milczyn): Comment or debate? Mr. McDonell?

Mr. Jim McDonell: If you go to page 99, the bill lists a number of offences under this act that are subject to fines of no more than \$50,000 or \$25,000. We feel that if somebody is convicted of at least one of these offences that's named in the act, they also lose their spot on the board.

The Vice-Chair (Mr. Peter Z. Milczyn): Further comment or debate? Mr. Ballard?

Mr. Chris Ballard: I appreciate the amendment and the clarification around the amendment. I thank the official opposition for that. I have some concerns. I appreciate the change to “an offence” rather than what it was before, “a contravention” of the act.

I think this is a very good direction but at the end of the day, what we need to see is that we need further consultation about this because it could open up a lot of issues for people in terms of definitions of a fence, or whatever. Although it's a good idea, I think we need further thought, further consultation. In keeping with how we're moving this legislation ahead, this is a good idea, but I think it needs that thought, that further consultation, and needs to be ensconced in regulation rather than in legislation. So it's a good idea but I think maybe it's at the wrong place.

The Vice-Chair (Mr. Peter Z. Milczyn): Further comment? Mr. McDonell.

Mr. Jim McDonell: Yes. I'm disappointed about section 137, which, of course, is a comprehensive list of different offences under this act that the government chose to make offences, listed here, and put in place significant fines. If someone is contravening the act—that's subject to fines up to \$50,000—one would think he would also lose his spot at the board because these offences are to do with the condo act. Obviously it's a significant offence and he's not representing his people, I would think, in a proper manner, or the offence wouldn't stick. Anyway, that was our take on it. We think that there has been a lot of messaging from the stakeholders about the goings-on in these boards, and we want to make sure that they're set up in an orderly fashion. How you could justify some-

body who is charged and convicted on an offence—for 10 years, a reasonable time frame.

The Vice-Chair (Mr. Peter Z. Milczyn): Further comments? Mr. Ballard.

Mr. Chris Ballard: Just a really brief debate: As I said earlier, I think it's a good idea. I like the direction this is going in. I think it's just a matter of where it gets addressed. No one is saying that someone who has violated the act should get away without any repercussion, but this should be in regulation rather than at the legislative stage. We need more thought and more consultation on that.

The Vice-Chair (Mr. Peter Z. Milczyn): Further comment and debate?

Seeing none, we will go to a vote on motion 43, as revised and read into the record. All those in favour? Those opposed? The motion does not carry.

There are no further proposed amendments to schedule 1, section 25. Is there any further comment or debate on schedule 1, section 25? Then shall schedule 1, section 25 be carried? All in favour? Opposed? That is carried.

There are no proposed amendments to schedule 1, sections 26 through section 29, inclusive. If there's no objection, we'll vote on those as a block. Is there any comment or debate on schedule 1, section 26 through section 29, inclusive? No? Shall schedule 1, sections 26 through 29, inclusive, be carried? All those in favour? Opposed? That is carried.

In schedule 1, section 30, there is a motion from the official opposition: motion number 44. Mr. Barrett.

Mr. Toby Barrett: I move that subsection 35(5) of the Condominium Act, 1998, as set out in section 30 of schedule 1 to the bill, be amended by striking out "if all directors of the corporation consent to the means used for holding the meeting" at the end.

The Vice-Chair (Mr. Peter Z. Milczyn): Comment and debate? Mr. McDonell?

Mr. Jim McDonell: Stakeholders have highlighted that one holdout director could prevent the board from meeting by teleconference. Our amendment ensures that a board can meet by teleconference, regardless.

The Vice-Chair (Mr. Peter Z. Milczyn): Further comment and debate? Mr. Ballard?

Mr. Chris Ballard: I think, overall, Bill 106 improves how condominiums are run. I can give you at least one example that, if passed, the condo boards would no longer have to pass a bylaw to hold a meeting through conference calls or using similar off-site meeting technologies. Directors should be engaged in the process, and eliminating their engagement could cause disputes about the methods of communication. Those are just the three issues that come to my mind and it's why I recommend voting against the motion.

1450

The Vice-Chair (Mr. Peter Z. Milczyn): Further comment? Mr. McDonell.

Mr. Jim McDonell: I think that the door is open for it, but from what we're hearing, stakeholders are saying there is a need to be able to hold these boards by teleconference, especially at certain times of the year when a

lot of people who are owners like to travel. It allows them to be a board member.

And you've got to remember, it still takes a majority of the board to allow for it. We're just saying that one cannot really harpoon the initiative.

The Vice-Chair (Mr. Peter Z. Milczyn): Further comment and debate? Seeing none, then shall motion number 44 be carried? All those in favour? All those opposed? The motion does not carry.

There are no further amendments proposed to schedule 1, section 30. Is there any further comment and debate? No?

Shall schedule 1, section 30, be carried? All those in favour? Opposed? That carries.

Schedule 1, section 31: There are no amendments proposed to this. Is there any comment or debate? No? Shall schedule 1, section 31, be carried? All those in favour? Opposed? That's carried.

Schedule 1, section 31.1, official opposition motion number 45: Mr. Barrett.

Mr. Toby Barrett: I move that schedule 1 to the bill be amended by adding the following section:

"31.1 The act is amended by adding the following section:

"Compliance with code of ethics

"37.1 Every director or officer of a corporation shall comply with the code of ethics established by the minister."

The Vice-Chair (Mr. Peter Z. Milczyn): Comment or debate? Mr. McDonell.

Mr. Jim McDonell: We've heard from stakeholders requesting that board members have a code of ethics. We fully support the proposal, and our amendment ensures directors comply.

The Vice-Chair (Mr. Peter Z. Milczyn): Mr. Ballard?

Mr. Chris Ballard: We know that there's already a standard of care for directors in the act. Current condo law allows corporations to address codes of ethics for directors in their bylaws, and regulations could clarify the ability of a corporation to create a code of ethics in its bylaws. I think it's covered off, quite frankly. I don't see the need for the motion.

The Vice-Chair (Mr. Peter Z. Milczyn): Further comment and debate? Seeing none, shall motion number 45 be carried? All those in favour? Those opposed? That motion does not carry.

Next, schedule 1, section 32, there are no proposed amendments. Is there any comment or debate? Seeing none, shall schedule 1, section 32, be carried? All those in favour? Opposed? That is carried.

Schedule 1, section 32.1, official opposition motion number 46: Mr. Barrett.

Mr. Toby Barrett: I move that schedule 1 to the bill be amended by adding the following section:

"32.1 The act is amended by adding the following section before the heading 'Transfer of Control by Declarant':

"Disclosure to owners

"41.1 When a director or officer of a corporation becomes aware that he or she has, directly or indirectly,

an interest in a contract or transaction to which the corporation is a party or a proposed contract or transaction to which the corporation will be a party, he or she shall disclose the interest in writing to the corporation's owners in the prescribed manner as soon as possible."

The Vice-Chair (Mr. Peter Z. Milczyn): Comment or debate? Mr. McDonell.

Mr. Jim McDonell: This amendment is essential in order to maintain transparency for the procurement process and owners' confidence. We see this essentially now in municipal governments. If there's a conflict of interest, people need not only to declare but to stand down.

The Vice-Chair (Mr. Peter Z. Milczyn): Further comment or debate? Mr. Ballard.

Mr. Chris Ballard: Thank you, Mr. Chair. I can see this being addressed through regulations that fall under 26.3. It's better to address disclosure, from my perspective, of conflicts to owners through procedures set up in the existing bill, including the proposed section 26.3, as well as subsections 45 and 55(3) of the act. Requiring directors to personally disclose to owners creates an unnecessary burden.

The Vice-Chair (Mr. Peter Z. Milczyn): Further comment or debate? Seeing none, shall motion number 46 be carried? All those in favour? All those opposed? The motion does not carry.

The next two sections, schedule 1, section 33 and section 34: There are no proposed amendments. If there is no objection, we'll vote on them together. Is there any comment or debate on those two sections? No? Shall schedule 1, section 33 and section 34 be carried? All those in favour? Opposed? Those sections are carried.

Schedule 1, section 35: There are official opposition motions here. The first one is number 47: Mr. Barrett.

Mr. Toby Barrett: I move that subsection 44(2) of the Condominium Act, 1998, as set out in subsection 35(1) of schedule 1 to the bill, be struck out and the following substituted:

"Times for audits

"(2) A performance audit shall be conducted,

"(a) before the first, second and seventh anniversaries of the date of registration of the declaration and description for the corporation;

"(b) as soon as possible after a request to perform a performance audit is approved by a majority of the votes cast at a meeting of owners; and

"(c) at any other prescribed time period following the registration of the declaration and description."

The Vice-Chair (Mr. Peter Z. Milczyn): Debate or comment? Mr. McDonell.

Mr. Jim McDonell: Yes. Performance audits relate to the structure of the building. The Tarion warranty deadlines for certain components are one, two, and seven years from construction. Our amendment makes performance audits mandatory before these deadlines so a corporation can file a claim to Tarion if needed.

It's important to point out that if they fail to do so, of course they lose their right under the current law to have their items that should be under warranty covered.

The Vice-Chair (Mr. Peter Z. Milczyn): Further comment? Mr. Ballard.

Mr. Chris Ballard: Thank you, Mr. Chair. The proposed bill makes it clear that a performance audit after the first year of registration be performed. That's in line with the existing act. I have troubles with the proposed motion. It would be more appropriate in our perspective to address the timing for performance audits in the regulations because times for warranty claims are set out in regulations under the Ontario New Home Warranties Plan Act, and may change.

The Vice-Chair (Mr. Peter Z. Milczyn): Further comment or debate? Seeing none, shall motion number 47 be carried? All those in favour? Opposed? The motion does not carry.

Official opposition motion number 48: Mr. Barrett.

Mr. Toby Barrett: I just have a question, Chair, about pronunciation. I see in this motion numbers and letters, and then I see brackets. An "i" with a dot on top: How do you pronounce that?

The Vice-Chair (Mr. Peter Z. Milczyn): Double "i": "i-i."

Mr. Toby Barrett: Is that right: "i, double i, triple i"?

Interjections.

Interjection: Aye, aye, captain.

The Vice-Chair (Mr. Peter Z. Milczyn): Aye, ayes to the captain are directed to the Chair.

Mr. Toby Barrett: I move—with your permission, Chair—that subsection 35(6) of the bill be struck out and the following substituted:

"(6) Subclauses 44(5)(d)(i) and (ii) of the act are repealed and the following substituted:

"(i) damage to the units that may have been caused by defects in the common elements and the real property that is the subject of the audit,

"(ii) defects in the common elements and the real property that is the subject of the audit, which defects may cause damage to the units,

"(iii) defects in the common elements and the real property that is the subject of the audit, where those common elements and that real property are adjacent to the units, as determined by the regulations, if any; and

"(iii) any other matter related to the performance audit that the person deems professionally necessary."

1500

The Vice-Chair (Mr. Peter Z. Milczyn): Question or comment? Mr. McDonell.

Mr. Jim McDonell: Our rationale is that a person doing a performance audit is a qualified professional and they should be able to interview owners regarding any issues they deem relevant to the performance audit. This amendment keeps the government's section intact and adds a clause at the bottom.

The Vice-Chair (Mr. Peter Z. Milczyn): Mr. Ballard—oh, I'm sorry. Mr. Singh.

Mr. Jagmeet Singh: It's fine. I have a very burning question. While I wholeheartedly supported (ii) and (iii), I'm concerned with (iii); I would rather have (iv).

Mr. Toby Barrett: Is this about pronunciation?

Mr. Jagmeet Singh: I'm just joking: "(iv)."

The Vice-Chair (Mr. Peter Z. Milczyn): Roman numeral number 4.

Mr. Toby Barrett: How about "cinco i"? I know Spanish.

Interjections.

The Vice-Chair (Mr. Peter Z. Milczyn): Mr. Ballard.

Mr. Chris Ballard: Thank you, Chair. While I get the intent of what the amendment is setting out to do, I have a concern that the requirements would be too vague and open-ended and do not give the performance auditor clear direction on the requirements that they have to meet. It may even increase the liability for people who conduct performance audits. I think we need more consultation around this, frankly, with those who conduct performance audits. I can't support the motion at this time because of that need for more consultation with those in the business.

The Vice-Chair (Mr. Peter Z. Milczyn): Mr. Singh.

Mr. Jagmeet Singh: I'm just curious. I think that the amendment, as proposed, makes sense. I'm just concerned about—perhaps if you have anything in response to that. Have there been consultations with performance auditors who've said, "No, this is going to be helpful," or, "It's not going to pose a problem to us at all"?

Mr. Jim McDonell: Of course, we believe that if the auditor deems something to be important, he should be allowed to pursue it. Really, that's all it does. He is a qualified individual, and if he sees something that he deems to be a concern that should be looked at—because he is signing off on it—it gives him that option.

The Vice-Chair (Mr. Peter Z. Milczyn): Further comment or debate? Seeing none, shall motion number 48 be carried? All those in favour? All those opposed? The motion does not carry.

Official opposition motion number 49: Mr. Barrett.

Mr. Toby Barrett: I move that subsection 35(7) of schedule 1 to the bill be struck out and the following substituted:

"(7) Subsection 44(9) of the act is amended by striking out the portion before clause (a) and substituting the following:

"Submission of report

"(9) After a person conducts a performance audit, he or she shall,"

The Vice-Chair (Mr. Peter Z. Milczyn): Question or comment? Mr. McDonell.

Mr. Jim McDonell: We find that this amendment is consequential to amendment 47, which didn't pass, so I guess we have to withdraw it.

The Vice-Chair (Mr. Peter Z. Milczyn): Motion number 49 is being withdrawn.

There are no further amendments to section 35. Is there further question or comment on schedule 1, section 35? Seeing none, shall schedule 1, section 35 be carried? All those in favour? All those opposed? The section is carried.

Schedule 1, section 36: There are no amendments proposed. Is there any question or comment? Seeing none—yes, Mr. Ballard?

Mr. Chris Ballard: Oh, it's okay. Thank you.

The Vice-Chair (Mr. Peter Z. Milczyn): You were just stretching.

Mr. Chris Ballard: Just stretching.

The Vice-Chair (Mr. Peter Z. Milczyn): Shall schedule 1, section 36 be carried? All those in favour? All those opposed? Schedule 1, section 36 is carried.

Schedule 1, section 37: There is government motion number 50. Mr. Ballard.

Mr. Chris Ballard: I move that section 37 of schedule 1 to the bill be struck out and the following substituted:

"37.(1) The act is amended by adding the following section:

"Procedure for board calling a meeting

"45.1(1) Before the board sends out a notice to call a meeting of owners, it shall send a preliminary notice to the owners that is prepared in accordance with the regulations and that contains,

"(a) if the meeting is to elect one or more directors, a request that each individual who intends to be a candidate for election to the board notify the board in writing, by a date that is specified in the notice and that is determined in accordance with the regulations, of the individual's intention, name and address;

"(b) a request that any owner who wishes that the board include any material in the notice calling the meeting provide the material to the board by a date that is specified in the notice and that is determined in accordance with the regulations; and

"(c) all other materials, if any, that are prescribed.

"Material to include in notice of meeting

"(2) The board is not required to include in the notice calling a meeting of owners any material mentioned in clause (1)(b) or (c) unless the regulations provide otherwise."

"(2) Clause 45.1(1)(a) of the act, as enacted by subsection (1), is amended by adding 'subject to clause (a.1)' at the beginning.

"(3) Subsection 45.1(1) of the act, as enacted by subsection (1), is amended by adding the following clause:

"(a.1) if there is a vacancy in a position on the board described in subsection 51(6) or if such a vacancy will arise by the time of the meeting under clause 31(2)(b) or in the circumstances specified in the regulations, if any,

"(i) a copy of the text of the definition of "non-leased voting unit" in subsection 1(1) and the text of subsections 51(5) and (6),

"(ii) a statement of the date of the last day of the 15-day period mentioned in subsection 51(5),

"(iii) a request for a statement, that complies with the regulations, if any, from each owner of a non-leased voting unit stating that the owner is the owner of a non-leased voting unit, and

"(iv) a request that each individual who intends to be a candidate, for the position on the board reserved for

voting by owners of non-leased voting units, notify the board in writing, by a date that is specified in the notice and that is determined in accordance with the regulations, of the individual's intention, name and address;”

The Vice-Chair (Mr. Peter Z. Milczyn): Comment, Mr. Ballard?

Mr. Chris Ballard: I think, really, this is in alignment with what we have proposed in other motions, Mr. Chair, in that it supports phased implementation by allowing the proposed new subsection in Bill 106, section 37 specifically, to be proclaimed into force at different times.

The Vice-Chair (Mr. Peter Z. Milczyn): Further comment or debate? Seeing none, shall motion number 50 be carried? All those in favour? Opposed? The motion is carried.

There are no further amendments proposed to section 37.

Is there further comment or debate on schedule 1, section 37? Seeing none, shall schedule 1, section 37, as amended, be carried? All those in favour? Opposed? Carried.

Schedule 1, section 38: There is a motion number 51 from the NDP. Mr. Singh.

Mr. Jagmeet Singh: I move that section 38 of schedule 1 to the bill be amended by adding the following subsection:

“(2) Subsection (1) may not be proclaimed into force until such time as the minister is of the opinion that the Condominium Authority Tribunal is able to hear disputes concerning non-compliance with section 46 of the act.”

The Vice-Chair (Mr. Peter Z. Milczyn): Further comment or debate? Mr. Ballard.

Mr. Chris Ballard: I guess my concern is that the motion would prevent section 46 dealing with the requisition for a meeting from being proclaimed into force before a minister is of the opinion that the condo authority is able to hear the dispute regarding non-compliance with section 46. I think the policy intent can be dealt with through a combination of regulation and proclamation.

The Vice-Chair (Mr. Peter Z. Milczyn): Further comment or debate? Mr. Singh.

Mr. Jagmeet Singh: The concern is this, Mr. Chair: We want to ensure that the protections that would flow from the Condominium Authority Tribunal would be available and actually accessible. If they're not actually available and not accessible, then we're not really ensuring that that protection is afforded to the individual. That's the purpose of the amendment.

1510

The Vice-Chair (Mr. Peter Z. Milczyn): Further comment or debate? Seeing none, shall motion number 51 be carried? All those in favour? Opposed? The motion does not carry.

Official opposition motion number 52: Mr. Barrett.

Mr. Toby Barrett: I move that subsection 46(4) of the Condominium Act, 1998, as set out in section 38 of schedule 1 to the bill, be amended by adding the following paragraph:

“2.1 A request for a performance audit.”

The Vice-Chair (Mr. Peter Z. Milczyn): Comment or debate? Mr. McDonell.

Mr. Jim McDonell: We believe the owners have the right to request a performance audit of their building at any time, despite the mandatory audits already prescribed. Sometimes consumers are best served through encoding this right in law rather than leaving it to the regulations.

The Vice-Chair (Mr. Peter Z. Milczyn): Further comment or debate? Mr. Ballard.

Mr. Chris Ballard: My sense is that this is already captured by proposed paragraphs 1 and 3 of subsection 46(4) of the act. Again, as we've said with some of the previous comments around conduct performance, this will require more consultation with those who conduct performance audits, so I'd recommend against the motion.

The Vice-Chair (Mr. Peter Z. Milczyn): Further comment or debate? Mr. Singh.

Mr. Jagmeet Singh: In general, however, requiring a performance audit, broadly speaking: Is that something that the government's chair would be amenable to? Just to understand the concern, is it that consultation is needed to ensure whether or not performance audits are even useful, or is it that you acknowledge their use, or you want to just understand if it can be done?

Mr. Chris Ballard: My sense, Mr. Singh, is that performance audits are required. As we said in the previous motion that came forward, many times it's around timing. It's why we didn't want to ensconce that in legislation: because it ties in with the Ontario New Home Warranties Plan Act, which may change. So yes, they're needed. It's a matter of timing and in this case, it's a requirement for more consultation.

The Vice-Chair (Mr. Peter Z. Milczyn): Further comment or debate? Seeing none, shall motion number 52 be carried? All those in favour? Opposed? The motion does not carry.

Official opposition motion number 53: Mr. Barrett.

Mr. Toby Barrett: I move that subsection 46(4) of the Condominium Act, 1998, as set out in section 38 of schedule 1 to the bill, be amended by adding the following paragraph:

“2.2 Entering into a contract with or terminating the contract of a condominium manager or condominium management provider.”

The Vice-Chair (Mr. Peter Z. Milczyn): Mr. McDonell.

Mr. Jim McDonell: Sure. Again, we believe consumers are best protected when their right to requisition a meeting to deal with such an important issue is guaranteed by law rather than through regulation.

The Vice-Chair (Mr. Peter Z. Milczyn): Further comment or debate? Mr. Ballard.

Mr. Chris Ballard: If I might, in the Condominium Act the owners have the ultimate democratic right to elect or remove the board of directors. The elected board of directors manages the affairs of the corporation on behalf of the owners, including the affairs of the managers.

The act also allows management of the property to be the subject matter of a bylaw. Given that the majority of

the owners must approve the bylaws, the owners are entitled to make decisions regarding the management of the property through the bylaw that the CMSA is going to introduce, as you know—a new licensing regime to govern condo managers. This motion would expand the purposes for which the requisition meeting might be called, but I think the proposed legislation covers that adequately.

I don't see a need for the motion.

The Vice-Chair (Mr. Peter Z. Milczyn): Further comment or debate? Seeing none, shall motion number 53 be carried? All those in favour? All those opposed? The motion does not carry.

There are no further amendments proposed to schedule 1, section 38. Is there further comment or debate on this section? Seeing none, shall schedule 1, section 38, be carried? All those in favour? Opposed? That is carried.

There are no amendments proposed for schedule 1, sections 39 through 43, inclusive. If there are no objections, I think that we can deal with them as a group. Is there any comment or debate on these sections?

Mr. Jagmeet Singh: Yes, Mr. Chair. I just missed what you said. Did you say till 43?

The Vice-Chair (Mr. Peter Z. Milczyn): Yes.

Mr. Jagmeet Singh: Up until 43; right?

The Vice-Chair (Mr. Peter Z. Milczyn): Pardon?

Mr. Jagmeet Singh: You said “up until 43.”

The Vice-Chair (Mr. Peter Z. Milczyn): Yes, 39 through 43, inclusive.

Mr. Jagmeet Singh: That's it.

The Vice-Chair (Mr. Peter Z. Milczyn): We're fine?

Mr. Jagmeet Singh: Yes.

The Vice-Chair (Mr. Peter Z. Milczyn): All right. No further comment or debate? Shall schedule 1, sections 39 through 43, inclusive, be carried? All those in favour? Opposed? These sections are carried.

Schedule 1, section 44, government motion number 54: Mr. Ballard.

Mr. Chris Ballard: I move that subsection 51(6) of the Condominium Act, 1998, as set out in subsection 44(2) of schedule 1 to the bill, be amended by striking out “clause 45.1(1)(b)” in the portion before clause (a) and substituting “clause 45.1(1)” —

The Vice-Chair (Mr. Peter Z. Milczyn): Mr. Ballard, just a moment. What you said is slightly different than what is written.

Mr. Chris Ballard: Shall I start again, Mr. Chair?

The Vice-Chair (Mr. Peter Z. Milczyn): If you could, please, for clarity and for the record.

Mr. Chris Ballard: I'll start again.

I move that subsection 51(6) of the Condominium Act, 1998 —

The Vice-Chair (Mr. Peter Z. Milczyn): Mr. Ballard, it says number 5 on the paper and you said number 6.

Mr. Chris Ballard: I'm sorry. My version here has number 6. I may not have an up-to-date —

Ms. Daiene Vernile: Mine says (6), also.

Interjections.

The Vice-Chair (Mr. Peter Z. Milczyn): Mr. Ballard, I think you're reading motion 55. We're at motion 54.

Mr. Chris Ballard: Okay, here we are. Thank you.

I move that subsection 51(5) of the Condominium Act, 1998, as set out in subsection 44(2) of schedule 1 to the bill, be amended by,

(a) striking out “clause 45.1(1)(b)” in the portion before clause (a) and substituting “clause 45.1(1)(a.1)”;

(b) striking out “subclause 45.1(1)(b)(iii)” in clause (a) and substituting “subclause 45.1(1)(a.1)(iii)”;

(c) striking out “clause 45.1(1)(b)” in clause (b) and substituting “clause 45.1(1)(a.1)”.

The Vice-Chair (Mr. Peter Z. Milczyn): Comment and debate? Mr. Ballard.

Mr. Chris Ballard: I think these are technical adjustments, Mr. Chair, and I'll leave it there.

The Vice-Chair (Mr. Peter Z. Milczyn): Any further comment or debate? Seeing none, shall motion number 54 be carried? All those in favour? Opposed? The motion is carried.

Government motion number 55: Mr. Ballard.

Mr. Chris Ballard: Motion 55: Here we go.

I move that subsection 51(6) of the Condominium Act, 1998, as set out in subsection 44(2) of schedule 1 to the bill, be amended by striking out “clause 45.1(1)(b)” in the portion before clause (a) and substituting “clause 45.1(1)(a.1)”.

The Vice-Chair (Mr. Peter Z. Milczyn): Comment and debate?

Mr. Chris Ballard: It's obvious to me, Mr. Chair, that it allows for the length of the first fiscal year to be amended by regulation.

The Vice-Chair (Mr. Peter Z. Milczyn): Further comment or debate? Seeing none, shall motion number 55 be carried? All those in favour? Opposed? The motion is carried.

There are no further amendments proposed to schedule 1, section 44. Is there any further comment or debate on schedule 1, section 44? Seeing none, shall schedule 1, section 44, as amended, be carried? All those in favour? Opposed? The section is carried.

1520

Schedule 1, section 45: There are no proposed amendments. Is there any comment or debate? Seeing none, shall schedule 1, section 44 be carried? All those in favour —

Interjection: Section 45.

The Vice-Chair (Mr. Peter Z. Milczyn): My apologies. Shall schedule 1, section 45 be carried? All those in favour? Opposed? That is carried.

Schedule 1, section 46: There is NDP motion number 56. Mr. Singh.

Mr. Jagmeet Singh: I move that section 52 of the Condominium Act, 1998, as amended by subsection 46(1) of schedule 1 to the bill, be amended by adding the following subsection:

“Secret ballot

“(1.01) Despite subsection (1), under the prescribed circumstances, a person entitled to vote at a meeting may require that voting be conducted by secret ballot, cast in the prescribed manner.”

The Vice-Chair (Mr. Peter Z. Milczyn): Comment and debate? Mr. Ballard?

Mr. Chris Ballard: I think this is, again, one of those issues that can be dealt with through bylaws and regulations, so I don't see a need for it.

The Vice-Chair (Mr. Peter Z. Milczyn): Further comment and debate? Mr. McDonnell?

Mr. Jim McDonnell: We think that people should always be able to do something or vote by secret ballot. We would like to see the prescribed circumstances. If they're entitled to a secret ballot, they should be allowed to have one.

The Vice-Chair (Mr. Peter Z. Milczyn): Mr. Singh?

Mr. Jagmeet Singh: If you follow along the bill, the bill puts in something as simple as a show of hands. It allows for the showing of hands. It allows for a recorded vote and mentions marking a ballot, using an instrument, or indicating by telephonic or electronic means, if the by-law permits. This would just add one additional component. It's not particularly complex. It just says to add the option to allow a secret ballot. It is really all that it's doing. It's not any more nuanced than allowing for a show of hands. I don't think adding that in is something that would, in any way, unduly burden anyone. It just creates another option.

In some circumstances, we've seen that voting openly might cause some rift in a particular board and you might benefit from having a secret ballot to ensure that the board can continue to work together if it's a contentious issue. Sometimes, in those circumstances, we want to ensure that boards are able to work effectively together. There might be a time when you don't want to have your vote be known, and I think having that is a good option. We in the House vote for a Speaker, and that's done through secret ballot. I think it's a good amendment. I don't think there's any issue with it.

The Vice-Chair (Mr. Peter Z. Milczyn): Further comment or debate? Mr. Ballard?

Mr. Chris Ballard: Both Mr. McDonnell and Mr. Singh make, in my mind, very valid comments with regard to the requirement for secret ballots, but it doesn't preclude me from saying that that can be dealt with through bylaws and regulations.

The Vice-Chair (Mr. Peter Z. Milczyn): Further comment or debate? Seeing none, shall motion number 56 be carried? All those in favour? Opposed? That does not carry.

Official opposition motion number 57: Mr. Barrett.

Mr. Toby Barrett: I move that section 46 of the bill be amended by adding the following subsection:

"(2.1) Section 52 of the act is amended by adding the following subsection:

"Request for secret ballot

"(2.1) Before a vote on an item scheduled for a vote at a meeting of owners, a person entitled to vote at the meeting may request that a secret ballot be conducted and,

"(a) despite subsection (1), votes for the item may only be,

"(i) marked on a ballot cast personally or by proxy,

"(ii) marked on an instrument appointing a proxy, or
 "(iii) indicated by telephonic or electronic means, if the bylaws so permit; and

"(b) no votes will be recorded, despite any request made under subsection (2)."

The Vice-Chair (Mr. Peter Z. Milczyn): Comment and debate? Mr. McDonnell?

Mr. Jim McDonnell: We believe that owners should be able to cast their votes in secret, especially in the election. For a removal of a board member, it goes without saying that secret ballots are not recorded.

The Vice-Chair (Mr. Peter Z. Milczyn): Mr. Singh?

Mr. Jagmeet Singh: We'll be supporting this motion. It effectively does what we were hoping to do in a previous motion so it's something we support. I think it's straightforward; it makes sense. We should have this option.

The Vice-Chair (Mr. Peter Z. Milczyn): Further comment and debate? Mr. Baker?

Mr. Yvan Baker: I recommend voting against the motion. The motion is overly broad, I would argue. It takes away the flexibility for corporations across the province to choose whether ballots should be secret or not. Currently, the act refers to a vote by a show of hands or by a recorded vote. The bill does not change that policy but clarifies the manner in which a vote can be made by a show of hands or a recorded vote.

The definition of a recorded vote can be determined in regulations, so I recommend voting against it.

The Vice-Chair (Mr. Peter Z. Milczyn): Further comment and debate? Seeing none, shall motion number 57 be carried? All those in favour? All those opposed? The motion does not carry.

Official opposition number 58.

Mr. Toby Barrett: I move that section 46 of the bill be amended by adding the following subsection:

"(2.2) Section 52 of the act is amended by adding the following subsection:

"Same

"(3.1) A proxy shall not be,

"(a) a condominium management provider or a condominium manager or an employee or agent of such a person;

"(b) a candidate in the election of the corporation's board of directors;

"(c) a director of the corporation; or

"(d) a spouse, sibling, parent or child of a person described in clause (a), (b) or (c)."

The Vice-Chair (Mr. Peter Z. Milczyn): Comment or debate? Mr. McDonnell.

Mr. Jim McDonnell: This amendment brings greater transparency to the proxy appointment process by barring those with a large stake in an owners' meeting outcome from being a proxy.

The Vice-Chair (Mr. Peter Z. Milczyn): Further comment and debate? Mr. Baker?

Mr. Yvan Baker: Thanks, Chair. I recommend voting against the motion. The motion is, again, very broad. It

takes away flexibility for corporations across Ontario to choose who cannot be a proxy.

The Vice-Chair (Mr. Peter Z. Milczyn): Further comment and debate? Seeing none, shall motion number 58 be carried? All those in favour? All those opposed? The motion does not carry.

Official opposition motion number 59.

Mr. Toby Barrett: I move that subsection 52(4) of the Condominium Act, 1998, as set out in subsection 46(3) of schedule 1 to the bill, be struck out and the following substituted:

“Appointment of proxy

“(4) A proxy shall,

“(a) be in writing under the hand of the appointer or the appointer’s attorney;

“(b) be for one or more particular meetings of owners;

“(c) be signed by a witness who is not a director of the corporation or a manager under an agreement for the management of the property; and

“(d) comply with the regulations and be in the prescribed form.

“Proxy to be delivered before meeting

“(5) An instrument appointing a proxy must be delivered to”—I trust this could just be considered a grammatical mistake; there’s an “a” in there—“the president or secretary of the board or deposited at the address for service of the corporation at least 24 hours before a meeting to which it applies.”

The Vice-Chair (Mr. Peter Z. Milczyn): Further comment or debate? Mr. McDonell?

Mr. Jim McDonell: We heard from stakeholders that it was fairer for owners than meeting the chair with a flood of last-minute proxies that are handed in and need to be reviewed. The amendment adds a subsection that a proxy instrument must be witnessed and must be delivered to a designated set of people beyond 24 hours of the meeting. Adding a witness to the proxies ensures the proxy appointment process is transparent and makes proxies more difficult to forge.

The Vice-Chair (Mr. Peter Z. Milczyn): Further comment, Mr. Baker?

Mr. Yvan Baker: In my view, details regarding the proper execution of a proxy are something that would be the purview of regulation, especially given how technical the issue can be and how it can apply to different condominiums across the province. I recommend voting against the motion for that reason.

The Vice-Chair (Mr. Peter Z. Milczyn): Further comment or debate? Seeing none, shall motion number 59 be carried? All those in favour? All those opposed? The motion does not carry.

There are no further amendments to schedule 1, section 46. Is there any further comment or debate on this section? Seeing none, shall schedule 1, section 46 be carried? All those in favour? All those opposed? Carried. 1530

Members, schedule 1, sections 47 through 58, inclusive, have no proposed amendments. I recommend we deal with them as a block, if there’s no objection. Is there any debate

or comment on schedule 1, sections 47 through 58, inclusive? Mr. Singh?

Mr. Jagmeet Singh: It’s a good sign in this case that there are no amendments. Perhaps in this case these sections were well written.

The Vice-Chair (Mr. Peter Z. Milczyn): Thank you. I think we can move on to a vote. Shall schedule 1, sections 47 through 58, inclusive, be carried? All those in favour? Opposed? These sections are carried.

Schedule 1, section 59: There is an NDP motion, number 60. Mr. Singh?

Mr. Jagmeet Singh: I move that subsection 71.1(1) of the Condominium Act, 1998, as set out in section 59 of schedule 1 to the bill, be amended by adding the following clause:

“(a.1) prescribed information about the rights of purchasers and the duties of declarants;”

The Vice-Chair (Mr. Peter Z. Milczyn): Further comment or debate? Mr. Baker?

Mr. Yvan Baker: I recommend voting against the motion because the motion is redundant, in my view. The bill already contemplates that the condominium guide will contain information for purchasers under clause 71.1(1)(a), which would include information about their rights and the obligations of developers.

The Vice-Chair (Mr. Peter Z. Milczyn): Further comment or debate? Mr. Singh?

Mr. Jagmeet Singh: This motion seeks to clarify some of the rights of the purchasers, along with providing information around the duties of the declarant. It adds an additional level of protection, specifically, if you notice the difference: One is information for purchasers in the existing act. The amendment really focuses on: What are the rights of the purchasers and what are the duties? This specific distinction adds increased protection.

The Vice-Chair (Mr. Peter Z. Milczyn): Further comment or debate? Seeing none, shall motion number 60 be carried? All those in favour? Opposed? The motion does not carry.

There are no further amendments proposed to schedule 1, section 59. Is there any further comment or debate on this section? Seeing none, shall schedule 1, section 59 be carried? All those in favour? Opposed? The section is carried.

Congratulations, members; you’ve dealt with half of the proposed amendments.

Schedule 1, section 60: official opposition motion number 61. Mr. Barrett?

Mr. Toby Barrett: I just want to make sure that all members of the committee received—

Interjection.

Mr. Toby Barrett: What I’m trying to explain is that we did withdraw this motion and we submitted another motion to the Clerk.

The Vice-Chair (Mr. Peter Z. Milczyn): Withdraw it now.

Mr. Toby Barrett: I do so wish to withdraw it.

The Vice-Chair (Mr. Peter Z. Milczyn): Mr. Barrett is withdrawing official opposition motion 61, and you want to replace it with something?

Mr. Toby Barrett: Yes. The new motion is being delivered. I'll wait until it's gone around the horn.

Great. This is the motion that we're putting before the committee. I move that section 60 of schedule 1 to the bill be amended by adding the following subsection:

“(4.1) Subsection 72(3) of the act is amended by adding the following clause:

“(d.1) a list of any elements of the common elements or of the unit or proposed unit, as the case may be, that are not part of the agreement of purchase and sale and in respect of which an additional charge will be levied against the corporation or the owners;”

The Vice-Chair (Mr. Peter Z. Milczyn): Comment or debate? Mr. McDonell.

Mr. Jim McDonell: Consumers have the right to know if any components of the units or the buildings are not the property of either the owners or the corporation, and must therefore be paid for separately. We asked that the amendment be changed to read, “I move that clause 72 (3)(f.1) of the Condominium Act, 1998, as set out in subsection 60(5) of schedule 1 to the bill, be amended by adding the following subclause.”

This was being done so that it includes both types, conversion and new. Our amendment would apply to—as it is, our motion would have only applied to conversion projects, so we wanted it to apply it to both.

The Vice-Chair (Mr. Peter Z. Milczyn): Further comment and debate? No further comment and debate? Shall the new motion 61 be carried? All those in favour? Opposed? That does not carry.

NDP motion number 62.

Mr. Jagmeet Singh: I move that clause 72(3)(f.1) of the Condominium Act, 1998, as set out in subsection 60(5) of schedule 1 to the bill, be amended by adding the following subclause:

“(iv.1) a statement that the unit complies with the sound transmission standards under the Ontario Building Code, as demonstrated and documented using the prescribed processes and forms, if any,”

The purpose for this bill—if anyone has gone to a condominium, particularly new ones, you know that there's often the sense that those walls are like pieces of paper, and sound travels through them as if there was no wall. Ensuring that there's sufficient material in between the units, you ensure sound is not flowing through like water. This is an amendment to ensure that there is adequate protection.

The Vice-Chair (Mr. Peter Z. Milczyn): Further comment and debate? Mr. Ballard.

Mr. Chris Ballard: I understand the intent of the proposed amendment but I find it problematic. I think that, at the time when a developer provides a disclosure statement to a purchaser, the unit would likely not have been constructed, even in a residential condominium conversion project.

The Vice-Chair (Mr. Peter Z. Milczyn): Further comment and debate?

Mr. Jagmeet Singh: The compliance could be in the fact that there are sufficient plans in place to ensure that this would happen, and that those plans are in compliance so to provide the purchaser with some confidence that the unit will comply with the sound transmission standards: “These are the plans that we have laid out and because of these plans, it will comply, or we anticipate that it would comply.”

The Vice-Chair (Mr. Peter Z. Milczyn): Further comment and debate? Seeing none, shall motion number 62 be carried? All those in favour? Opposed? The motion does not carry.

Official opposition motion number 63: Mr. Barrett.

Mr. Toby Barrett: I move that section 60 of schedule 1 to the bill be amended by adding the following subsection:

“(8.1) Section 72 of the act is amended by adding the following subsection:

“Insurance

“(3.1) The declarant shall obtain insurance against its liability resulting from a failure to provide an accurate disclosure statement and shall maintain the insurance for a period of five years from the date a copy of the disclosure statement was provided.”

The Vice-Chair (Mr. Peter Z. Milczyn): Comments and debates? Mr. McDonell.

Mr. Jim McDonell: Builders have an incentive to understate the maintenance and annual costs of the corporation, as it results in a smaller transfer from the builder to the corporation. This amendment makes it easier to recover any outstanding money that would have been owed by the builder if they had disclosed the costs correctly.

1540

The Vice-Chair (Mr. Peter Z. Milczyn): Further comment or debate? Mr. Ballard.

Mr. Chris Ballard: Again, I'm trying to understand the intent of the proposal, but I think the motion is drafted in a way that's unclear to me and possibly out of order as we move along. So I can't support it.

The Vice-Chair (Mr. Peter Z. Milczyn): Further comment and debate? Mr. McDonell.

Mr. Jim McDonell: We heard many complaints from people who are moving in, and the maintenance fees are much higher than were specified. This is a protection. If the owner is aware of some issues, we have to make sure that people buying these units are protected in some form of being able to forecast future costs.

The Vice-Chair (Mr. Peter Z. Milczyn): Further comment and debate? Seeing none, shall motion number 63 be carried? All those in favour? Opposed? The motion does not carry.

There are no further amendments to schedule 1, section 60. Is there further comment or debate on this section? Seeing none, shall schedule 1, section 60 be carried? All those in favour? Opposed? It is carried.

There are no amendments proposed to schedule 1, sections 61 through 68, inclusive. If there are no objections, I recommend we deal with them as a block. Is there any debate or comment on schedule 1, sections 61 through 68, inclusive? Seeing none, shall schedule 1, sections 61

through 68, inclusive, be carried? All those in favour? Opposed? These sections are carried.

Schedule 1, section 69, NDP motion number 64: Mr. Singh.

Mr. Jagmeet Singh: I move that subsection 80(5) of the Condominium Act, 1998, as set out in subsection 69(2) of schedule 1 to the bill, be struck out and the following substituted:

“Reserve fund contribution

“(5) If the declarant charges the purchaser a monthly occupancy fee for interim occupancy of a proposed unit of a prescribed class for any period or for a period that is prescribed and if the monthly occupancy fee includes a projected contribution to the reserve fund of the corporation, then, with respect to the occupancy fee for each month or such other period that is prescribed, the declarant shall hold in trust and remit to the corporation upon registering the declaration and” description of the portion—sorry; “description the portion of the monthly occupancy fee that represents the projected contribution to the reserve fund in accordance with the regulations, if any.”

Also, for the record, I did not write that.

The Vice-Chair (Mr. Peter Z. Milczyn): Any further comment or debate? Mr. Ballard.

Mr. Chris Ballard: Well, again, I think I understand the intent of the proposed amendment, but the motion could have a significant impact on the building industry. I think it requires consultation with industry that would best be dealt with as we move forward with regulations. Bill 106 allows for the six months to be altered by regulation.

The Vice-Chair (Mr. Peter Z. Milczyn): Any further comment or debate? Mr. Singh.

Mr. Jagmeet Singh: While I was just jesting about the actual writing, the amendment, the motion is well done. Thank you to legislative counsel. I appreciate all of the great work. Never bite the hand that feeds you, as they say.

But I have to say, it's an important issue. Reserve funds have come up time and time again as one of the major issues of concern when it comes to condominium owners. There is certainly a period of time, when you're transitioning from the occupancy to a fully registered and legal residence, what happens with this reserve fund how it's dealt with is a major issue, so we are trying to address that issue here. It's something that many people have complained about, and I think that many of the concerns we have seen that have hit the news have to do with reserve funds and the way those funds are collected, the contributions. So this is one way to address a concern that is a major concern.

The Vice-Chair (Mr. Peter Z. Milczyn): Further comment or debate? Seeing none, shall motion number 64 be carried? All those in favour? Opposed? The motion does not carry.

There are no further amendments proposed to schedule 1, section 69. Is there any further comment or debate? Seeing none, shall schedule 1, section 69, be carried? All those in favour? Opposed? That carries.

Do members of the committee wish to have a very brief recess? Is there a desire for that, for five minutes?

Interjection.

The Vice-Chair (Mr. Peter Z. Milczyn): I'm just asking.

Mr. Jagmeet Singh: Yes, please.

The Vice-Chair (Mr. Peter Z. Milczyn): We shall recess for five minutes.

The committee recessed from 1546 to 1556.

The Vice-Chair (Mr. Peter Z. Milczyn): I'll call the meeting back to order. We left off by voting for schedule 1, section 69.

Schedule 1, sections 70 through 73, inclusive: There are no proposed amendments. If there are no objections, I would suggest we deal with those as a block. Are there any comments or debate on schedule 1, section 70 through section 73, inclusive? Seeing none, shall schedule 1, sections 70 through 73, inclusive, be carried? All those in favour? Opposed? Those sections are carried.

Schedule 1, section 74: government motion number 65. Mr. Ballard.

Mr. Chris Ballard: I move that clause 83.1(2)(a) of the Condominium Act, 1998, as set out in section 74 of schedule 1 to the bill, be amended by adding “or such other day as is prescribed” after “takes place”.

The Vice-Chair (Mr. Peter Z. Milczyn): Comments or debate?

Mr. Chris Ballard: The rationale, I think, is fairly straightforward. It allows for the length of the fiscal year to be amended by regulation, and it supports consistency with the Income Tax Act.

The Vice-Chair (Mr. Peter Z. Milczyn): Further comment or debate? Seeing none, shall motion number 65 be carried? All those in favour? Opposed? That is carried.

There are no further amendments proposed to schedule 1, section 74. Is there any further comment or debate on this section? Seeing none, shall schedule 1, section 74, as amended, be carried? All those in favour? Opposed? That is carried.

Schedule 1, section 75: NDP motion number 66. Mr. Singh.

Mr. Jagmeet Singh: I move that section 75 of schedule 1 to the bill be amended by adding the following subsection:

“(1) Subsection 84(2) of the act is repealed and the following substituted:

“Common surplus

“(2) A common surplus in a corporation shall be applied against the following year's common expenses, paid into the reserve fund or paid for other prescribed purposes, and except on termination, shall not be distributed to the owners or mortgagees of the units.”

The Vice-Chair (Mr. Peter Z. Milczyn): Comment or debate? Ms. Vernile.

Ms. Daiene Vernile: I recommend voting against this motion because it seems very unclear as to what the motion is trying to address.

The Vice-Chair (Mr. Peter Z. Milczyn): Further comment or debate? Mr. McDonell.

Mr. Jim McDonell: It seems fairly straightforward. I think we're just looking at moving money that's not spent into the following year. If it is a surplus, it's a good

way of just disbursing it and having it available to the owners in the following year.

The Vice-Chair (Mr. Peter Z. Milczyn): Mr. Singh?

Mr. Jagmeet Singh: I want to thank Mr. McDonell for that explanation. Exactly: It's very straightforward. This is again along the same lines where people are concerned with reserve funds in general and people are concerned with what happens to the common surplus. This prescribes a clear path to provide a detailed avenue to take that common surplus and what should happen with it, what should be done with it. It provides a clear solution. It would address concerns that have been raised by stakeholders with respect to this issue and deal with them a very fair manner. That's why the motion was presented. Thank you very much.

The Vice-Chair (Mr. Peter Z. Milczyn): Further comment or debate? Seeing none, shall motion number 66 be carried? All those in favour? Opposed? The motion does not carry.

There are no further amendments proposed to schedule 1, section 75. Is there any further comment or debate? Seeing none, shall schedule 1, section 75 be carried? All those in favour? Opposed? Carried.

There are no amendments proposed to schedule 1, sections 76 through 83, inclusive. If there are no objections, I recommend we deal with them as a package. Are there any further comments or debate on schedule 1, sections 76 through 83, inclusive? Seeing none, shall schedule 1, sections 76 through 83, inclusive, be carried? All those in favour? Opposed? These sections are carried.

Schedule 1, section 84, official opposition motion number 67: Mr. McDonell.

Mr. Jim McDonell: I move that subsection 84(2) of schedule 1 to the bill be struck out and the following substituted:

“(2) Subsection 95(2) of the act is repealed and the following substituted:

“Board's use

“(2) Subject to the regulations, the board does not require the consent of the owners to make an expenditure out of a reserve fund that does not exceed 10 per cent of the current reserve fund balance.”

The Vice-Chair (Mr. Peter Z. Milczyn): Comment or debate? Mr. McDonell.

Mr. Jim McDonell: The rationale is that the amendment preserves the government's amendment that adds the “subject to the regulations” part and enhances owner protection by ensuring any large expense out of the reserve fund is approved by the owners.

The Vice-Chair (Mr. Peter Z. Milczyn): Mr. Singh.

Mr. Jagmeet Singh: I understand what the motive of this motion is. However, I'm concerned any time the owners aren't consulted on expenses. I think that's a complaint that has come up time and time again, that owners aren't consulted with respect to board decisions and expenditures. I understand, though, with this cap, it's saying that for less expensive expenditures, perhaps in those cases it's okay.

I'm just concerned; I'm thinking about large projects which have big reserve funds. It could still be a considerable amount of money that's spent, even if it's just 10%. That's my only concern, though in general, I do support the idea that, for expediency, there might be times where, for very minor expenses, there should be flexibility for the board.

In this case, because of my lack of certainty around the size—10% could be a large sum. That's why I will be opposing this motion.

The Vice-Chair (Mr. Peter Z. Milczyn): Ms. Albanese.

Mrs. Laura Albanese: I believe that the intent is probably to allow for greater flexibility. However, I think that further consultation is needed to determine the amount or the circumstances when owner consent should be sought. Given that reserve fund balances can fluctuate, there's really no basis for the 10%.

The Vice-Chair (Mr. Peter Z. Milczyn): Mr. McDonell.

Mr. Jim McDonell: I think what we're doing here is that we're actually limiting—if they're over 10%, they must be approved by the owners. So that's a restriction on the current legislation.

The Vice-Chair (Mr. Peter Z. Milczyn): Further comment or debate? Mr. Singh.

Mr. Jagmeet Singh: Sorry, maybe I didn't understand that. As it reads or as it currently stands—are you suggesting, Mr. McDonell, that this would allow for a requirement for greater—

Mr. Jim McDonell: Greater control.

Mr. Jagmeet Singh: Or more opportunities for having to obtain the consent of the owners?

Mr. Jim McDonell: Yes.

Mr. Jagmeet Singh: I see.

Mr. Jim McDonell: By putting in a 10% limit on it.

Mr. Jagmeet Singh: Sorry, through the Chair: You're saying that normally—

Mr. Jim McDonell: We're adding the 10% restriction. If it's more than 10%, it has to go through the board.

The Vice-Chair (Mr. Peter Z. Milczyn): Further comment or debate? Seeing none, shall motion number 67 be adopted? All those in favour? Opposed? The motion does not carry.

There are no further amendments proposed to schedule 1, section 84. Is there any further debate or comment? Seeing none, shall schedule 1, section 84 be carried? All those in favour? Opposed? The section is carried.

Schedule 1, section 85: There are no amendments proposed. Is there any debate or comment? Seeing none, shall schedule 1, section 85 be carried? All those in favour? Opposed? The section is carried.

Schedule 1, section 86, NDP motion number 68: Mr. Singh.

Mr. Jagmeet Singh: I move that subclause 97(9)(a)(ii) of the Condominium Act, 1998, as set out in section 86 of schedule 1 to the bill, be struck out and the following substituted:

“(ii) \$75,000 or a prescribed amount; or”.

The Vice-Chair (Mr. Peter Z. Milczyn): Comment or debate?

Mr. Chris Ballard: Sorry, this is 68?

Mr. Jagmeet Singh: NDP motion 68.

The Vice-Chair (Mr. Peter Z. Milczyn): Yes, 68, schedule 1, section 86.

Mr. Chris Ballard: Okay. Thank you. I think the provisions dealing with modifications must be approved by the owners of 66 and two thirds per cent of the units. My concern is that the change would be unnecessarily cumbersome for large corporations with large budgets, for example over \$1 million, if they wish to carry out modifications that cost more than \$75,000.

Again, I think this is something that would be best addressed by the regulations, Mr. Chair. The provision of the act which Bill 106 maintains already allows regulations to prescribe a threshold amount, so I would recommend voting against the motion.

The Vice-Chair (Mr. Peter Z. Milczyn): Further comment and debate? Mr. Singh.

Mr. Jagmeet Singh: This is the same issue that was raised previously: that 10% of a reserve fund may fluctuate very greatly. Similarly, 10% of the annual budgeted common expenses—there might be fluctuations in those common budget expenses if one year you have significant expenses that are incurred and another year you have less. That budgeted expense can fluctuate. This creates a very clear amount that—most people would look at \$75,000 as fairly significant. That would ensure that at least if that amount is one of the conditions—there might be other ones. It says, “the prescribed amount, if any.” So the prescribed amount can be left to regulation. There are other components that can be left to regulation, but this just provides a clear amount that would be required. I think that’s providing more protection.

The Vice-Chair (Mr. Peter Z. Milczyn): Further comment or debate? Mr. Ballard.

Mr. Chris Ballard: I think I understand the intent of where you’re going and I certainly appreciate it. I think, again, we’re at odds with: Do we put this into legislation, which is difficult and cumbersome to change down the road, or do we prescribe this through regulations that allow government a little more flexibility to meet a changing marketplace, etc.?

Again, I think my sense would be that Bill 106 allows regulations to prescribe a threshold amount, and my sense is that’s where we want it: in regulation.

The Vice-Chair (Mr. Peter Z. Milczyn): Other comments and debate? Seeing none, shall motion number 68 be adopted? All those in favour? Opposed? The motion does not carry.

There are no further amendments proposed to schedule 1, section 86. Is there any further comment or debate? Seeing none, shall schedule 1, section 86 be adopted? All in favour? Opposed? It’s carried.

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There are no amendments proposed to schedule 1, section 87 and section 88. So without objection, I would suggest that we deal with them together. Any comment or debate on these two sections? No? Then shall schedule 1,

section 87 and section 88 be adopted? All those in favour? Opposed? These sections are adopted.

Schedule 1, section 89, government motion 69: Mr. Ballard?

Mr. Chris Ballard: I move that section 105.1 of the Condominium Act, 1998, as set out in section 89 of schedule 1 to the bill, be struck out.

The Vice-Chair (Mr. Peter Z. Milczyn): Comment or debate?

Mr. Chris Ballard: This supports implementation by allowing the proposed new sections in section 89 of the bill to be proclaimed into force at different times.

The Vice-Chair (Mr. Peter Z. Milczyn): Further comment or debate? Seeing none, shall motion number 69 be adopted? All those in favour? Opposed? The motion is carried.

There are no further amendments to section 89. Further comment or debate? Seeing none, shall schedule 1, section 89, as amended, be carried? All those in favour? Opposed? Carried.

Schedule 1, section 89.1, government motion number 70: Mr. Ballard?

Mr. Chris Ballard: I move that schedule 1 to the bill be amended by adding the following section:

“89.1 The act is amended by adding the following section:

“Information to owners

“105.1 Subject to the regulations, the board shall provide the owners, in accordance with the regulations, with a notice containing information relating to the insurance mentioned in each of sections 39, 99, 102 and 105 and the regulations, if any.”

The Vice-Chair (Mr. Peter Z. Milczyn): Comment or debate? Seeing none, shall motion number 70 be adopted? All those in favour? Opposed? The motion is carried.

There are no further amendments to schedule 1, section 89.1. Further comment or debate?

Interjection.

The Vice-Chair (Mr. Peter Z. Milczyn): It’s a new section, so that motion carried it.

There are no amendments proposed to schedule 1, sections 90 through 93, inclusive. If there are no objections, I suggest we deal with them as a block. Seeing no objections, is there any comment or debate on schedule 1, sections 90 through 93, inclusive? Seeing none, shall schedule 1, sections 90 to 93, inclusive be carried? All those in favour? Opposed? These sections are carried.

Schedule 1, section 94: official opposition motion number 71.

Mr. Toby Barrett: I move that section 94 of schedule 1 to the bill be amended by adding the following subsection:

“(1.1) Section 111 of the act is amended by adding the following subsection:

“Resolution at a meeting of owners

“(1.1) The board shall take action to terminate an agreement for the management of the property in accordance with this section if a resolution to terminate the agreement is passed at a meeting of the owners.”

The Vice-Chair (Mr. Peter Z. Milczyn): Comment or debate? Mr. McDonell?

Mr. Jim McDonell: The rationale is that the owners of a condominium, as shareholders of the corporation, should have the right to order the corporation to hire or dismiss a manager. That's a request that, if passed, makes it mandatory for the board to act on it.

The Vice-Chair (Mr. Peter Z. Milczyn): Further comment or debate? Ms. Vernile?

Ms. Daiene Vernile: Since the majority of owners must approve bylaws, owners are entitled to make decisions regarding property management through a bylaw, so I recommend voting against this motion.

The Vice-Chair (Mr. Peter Z. Milczyn): Further comment and debate? Mr. McDonell.

Mr. Jim McDonell: Chair, just some clarification: Are we saying that the owners have the right to a bylaw and that must be followed? I'm just wondering. Our point of this is, if there's a resolution put on the floor by the owners and it's carried—in this case here, it's to dismiss a manager—that it would be followed by the board. We think the owners, under a properly conducted majority vote—their order should be followed.

The Vice-Chair (Mr. Peter Z. Milczyn): Further comment and debate? Ms. Vernile.

Ms. Daiene Vernile: Owners already have the democratic right, though, to elect or remove their board of directors.

The Vice-Chair (Mr. Peter Z. Milczyn): Further comment and debate? Seeing none, shall motion number 71 be adopted? All those in favour? Opposed? The motion is not carried.

There are no further amendments proposed to section 94. Is there further comment or debate? Seeing none, shall schedule 1, section 94 be adopted? All in favour? Opposed? The motion is carried.

There are no amendments proposed to schedule 1, sections 95 through 98, inclusive, so if there is no objection, we'll deal with these as a block. Seeing no objection, is there any comment or debate on these sections? Seeing none, shall schedule 1, section 95 to section 98, inclusive, be carried? All in favour? Opposed? These sections are carried.

Schedule 1, section 99: official opposition motion number 72. Mr. Barrett.

Mr. Toby Barrett: Yes, Chair. I move that section 117 of the Condominium Act, 1998, as set out in section 99 of schedule 1 to the bill, be amended by adding the following subsection:

"Same

"(3) No corporation or employee or agent of a corporation shall prevent a candidate for a position on the board of directors of the corporation from canvassing the property."

The Vice-Chair (Mr. Peter Z. Milczyn): Comment or debate? Mr. McDonell.

Mr. Jim McDonell: Yes, we heard from stakeholders that corporation managers have prevented owners from canvassing their building in order to promote their candidate for a board position, or to collect signatures for a

requisition. Despite this, political canvassers are protected by section 118, which does not cover owners canvassing for the board or for a requisition.

We can't amend section 118 because it is not touched by Bill 106. Our amendment guarantees that candidates to the board and requisitioners have the same protections as political candidates when canvassing condos.

If you don't allow this, it takes away a big part of the election process. That's why we do it in provincial and federal elections.

The Vice-Chair (Mr. Peter Z. Milczyn): Mr. Singh.

Mr. Jagmeet Singh: Thank you very much, Mr. Chair. Mr. Chair, through you, I support this motion—I support this motion as well as the emotion behind the motion. It's getting late; it's a long day.

The reason is, we have protections included in the Election Act that allow for political canvassing to occur, but there isn't actually any protection that allows for people who want to represent their own condominium corporation to get the necessary signatures, to get the necessary votes so they can become a participating member of their own condominium. The fact that that protection isn't present is a big problem.

I think this is a good motion. It allows for that protection and it ensures that people can go out and canvass their own neighbours, to ensure that they have the support to get involved. We've heard from stakeholders who said they weren't able to do this. This is an issue that they raised, and I think we should provide a solution to this problem.

The Vice-Chair (Mr. Peter Z. Milczyn): Ms. Vernile.

Ms. Daiene Vernile: Chair, we see that this particular motion is placed incorrectly. It might be better suited in section 28, and it could be addressed as a regulation.

The Vice-Chair (Mr. Peter Z. Milczyn): Further comment and debate? Mr. McDonell.

Mr. Jim McDonell: I think we require a recorded vote on this.

The Vice-Chair (Mr. Peter Z. Milczyn): Recorded vote. Okay. Mr. Singh, did you want to add some comment or debate?

Mr. Jagmeet Singh: Yes, one final comment: There are certain things that I understand the government talks about: flexibility. Regulations do provide flexibility, but this isn't something that we want to provide flexibility with. We want to provide it in black and white, very clear, that, "You are allowed to canvass your own property." This is not something that we want to leave to regulation.

Regulations are things that can be modified, and I can understand, where it comes to costs, that putting in a prescribed fee after time, you might say that \$75,000 is very minimal after 20 years or maybe 30 years of inflation, and then we want to increase the amount. So I understand, with monetary fees, leaving flexibility in the hands of a regulation, but we don't want to leave in the hands of regulations something like protecting your ability to participate in the democratic process of your own condominium corporation. That is not something

that should be left to regulation; that's something that should be enshrined clearly in the legislation.

1620

Just to make that distinction: I think there are some points where we can say, "Yes, regulation. You can make the argument for it," but there is no argument that would suggest, in any way, that ensuring that there's protection for people to be involved in the process should be left to regulation. That argument does not hold any water in this particular case. Whether or not it's in the wrong section—I'm sure our colleague Mr. McDonell would be willing in the section that the government would propose. But I think this is something that we should certainly address. Thank you, Mr. Chair.

The Vice-Chair (Mr. Peter Z. Milczyn): Mr. McDonell.

Mr. Jim McDonell: Yes, we are unable to put it in the proper section because of the regulations that we're following. But again, as Mr. Singh said, this is very important and we don't think it should be left to regulation. It's a basic right.

The Vice-Chair (Mr. Peter Z. Milczyn): Further comment or debate? Mr. McDonell has asked for a recorded vote.

Ayes

Barrett, McDonell, Singh.

Nays

Albanese, Baker, Ballard, Hoggarth, Vernile.

The Vice-Chair (Mr. Peter Z. Milczyn): The motion does not carry.

Official opposition motion number 73: Mr. Barrett.

Mr. Toby Barrett: I move that section 117 of the Condominium Act, 1998, as set out in section 99 of schedule 1 to the bill, be amended by adding the following subsection:

"Same

"(4) No corporation or employee or agent of a corporation shall prevent an owner from canvassing the property for the purpose of collecting signatures to requisition a meeting in accordance with section 46."

The Vice-Chair (Mr. Peter Z. Milczyn): Comment or debate? Mr. McDonell.

Mr. Jim McDonell: On the same line, this amendment grants owners collecting signatures to requisition an owners' meeting the same protection as canvassers.

The Vice-Chair (Mr. Peter Z. Milczyn): Further comment or debate? Mr. Ballard.

Mr. Chris Ballard: I certainly understand the need for people to be able to talk to their neighbours and other condominium owners in order to put their names forward or those of their friends or supporters, but I have similar problems with motion 73 that I had with motion 72, in that I believe that it's placed incorrectly and should be within section 28. And again, I think it can be dealt with within regulations.

The Vice-Chair (Mr. Peter Z. Milczyn): Further comment or debate? Mr. McDonell.

Mr. Jim McDonell: I guess our concern is that the government had the opportunity to do this with this bill and they didn't. We have no ability to force that, other than putting it in areas where we're allowed to do that. Again, the bill is making some important changes. It allows people to exercise their democratic rights—in this case, in condominiums—so we wouldn't want anything to diminish those. Of course, as we know, we've taken those steps when it comes to elections in this country, and we think that's important. This is a similar type of right.

The Vice-Chair (Mr. Peter Z. Milczyn): Mr. Singh.

Mr. Jagmeet Singh: I'd ask for a recorded vote on this as well.

The Vice-Chair (Mr. Peter Z. Milczyn): Further comment or debate? Seeing none, a recorded vote has been requested.

Ayes

Barrett, McDonell, Singh.

Nays

Albanese, Baker, Ballard, Hoggarth, Vernile.

The Vice-Chair (Mr. Peter Z. Milczyn): The motion does not carry.

There are no further amendments proposed to schedule 1, section 99. Is there any further debate or comment on this section? Seeing none, shall schedule 1, section 99 be carried? All those in favour? Opposed? The section is carried.

I note that there are no amendments proposed to schedule 1, sections 100 through 110, inclusive. If there is no objection, I recommend that we deal with them as a block. Seeing no objections, is there any comment or debate on schedule 1, sections 100 through 110, inclusive? Seeing none, shall schedule 1, sections 100 through 110, inclusive, be carried? All those in favour? Opposed? These sections are carried.

Schedule 1, section 111: government motion number 74. Mr. Ballard.

Mr. Chris Ballard: I move that section 111 of schedule 1 to the bill be amended by adding the following subsections:

"(0.1) Subsection 132(1) of the act is amended by adding 'Subject to subsection (4.1)' at the beginning and by adding 'including any question of law or equity' after 'with respect to the agreement' in the portion before clause (a).

"(2.1) Subsection 132(3) of the act is amended by adding 'including any question of law or equity' after 'section 75'.

"(2.2) Subsection 132(4) of the act is amended by adding 'Subject to subsection (4.1)' at the beginning and by adding 'including a disagreement with respect to any question of law or equity' after 'rules'.

“(2.3) Section 132 of the act is amended by adding the following subsections:

“Non-application

“(4.1) Subsections (1) and (4) do not apply to any matter in dispute for which a person may apply for resolution under section 1.36 to the Condominium Authority Tribunal established under part I.2 if the tribunal has been established under that part.

“No order for permanent removal of person

“(8) If a disagreement is submitted to arbitration under this section, the arbitral tribunal shall not make an award requiring a person to vacate a property permanently.

“Copy of arbitration award

“(9) If a matter is submitted to arbitration under this section, the arbitral tribunal that makes an award as part of the arbitration shall ensure that a copy of the award is delivered to the following person or body within the prescribed time period and in accordance with the regulations.

“1. The board of the condominium authority, if the authority exists.

“2. The minister, if there is no condominium authority.

“Same, copy for public

“(10) Upon receiving a copy described in subsection (9), the board of the condominium authority or the minister, as the case may be, shall make it available to the public in the prescribed manner.”

The Vice-Chair (Mr. Peter Z. Milczyn): Comment or debate? Mr. Ballard.

Mr. Chris Ballard: Really, these amendments support phased implementation by allowing the proposed new subsection in section 111 of the bill to be proclaimed into force at different times. It also prevents potential conflict between an arbiter's jurisdiction and the Residential Tenancies Act, and I guess, finally, it helps ensure that the extraordinary remedy of permanent removal can be pursued only in the courts or if the dispute is between a landlord and residential tenant under the RTA.

The Vice-Chair (Mr. Peter Z. Milczyn): Mr. McDonell.

Mr. Jim McDonell: I wonder: Is the intention that number 75 will be going on and in that motion they will be striking out these subsections that were just amended?

The Vice-Chair (Mr. Peter Z. Milczyn): Mr. Ballard.

Mr. Chris Ballard: Could you repeat yourself, please?

Mr. Jim McDonell: Well, I believe if you look at the next motion, you're actually striking out those subsections. It might be your intention to pull the next amendment, or is it in the wrong order?

The Vice-Chair (Mr. Peter Z. Milczyn): Legislative counsel will provide some clarification.

Mr. Michael Wood: There are two different things going on here. One is the phenomenon that Mr. Ballard explained of allowing for phased proclamation of the various amendments, but also the new subsection 8 that is set out is new. It is not presently in the bill. As a result of that, what is in the bill as subsection 8 and subsection 9 is renumbered.

Interruption.

The Vice-Chair (Mr. Peter Z. Milczyn): Mr. Wood, I'll cut you off there. We will recess the committee until the vote is done, so everybody should proceed back down after the vote.

The committee recessed from 1629 to 1644.

The Vice-Chair (Mr. Peter Z. Milczyn): The committee is back in session. I'd just like to point out to members of the committee that we are among the most privileged members of this Legislature because we still get to work while the others go off and do whatever it is that they do.

When we left off, Mr. Wood was giving an explanation about government motion number 74. Mr. Wood.

Mr. Michael Wood: There are two different things going on in government motion number 74. The first thing is to allow for two phases of proclamations. In the first phase, the government could proclaim in force new subsections (0.1), (2.1), (2.2) and (2.3), as they relate to section 132 of the act. Then the second phase will be dealt with in future, subsequent motions.

Government motion number 74 also does a second thing: It adds a new subsection (8) to section 132 of the act that wasn't there before. As a result of adding that new subsection (8), it becomes necessary to renumber what are presently the new 132(8) and (9), as set out in the bill, as 132(9) and (10). That's in the first phase.

In the second phase, the government could proclaim in force subsections 111(1), (2) and (3) of the bill. Then there are some subsequent motions to deal with the situation that the government does indeed want to keep what is presently set out as subsection 132(10) in the bill. That is renumbered as subsection 132(11). That is done by government motion number 76.

Since at that time, we would already have what is presently set out as 132(8) and (9) in the bill—we would have them as the new 132(9) and (10). That is why it is necessary to strike out what in the bill are shown as 132(8), (9) and (10).

Mr. Jim McDonell: Thank you for that.

Laughter.

Mr. Chris Ballard: I couldn't have said it plainer myself.

Mr. Michael Wood: I recognize that it's very complicated. We took a lot of time to figure that out in our office, but we recognize that it does work to allow for selective proclamation.

The Vice-Chair (Mr. Peter Z. Milczyn): Further comment and debate? Seeing none, shall motion number 74 be adopted? All those in favour? Opposed? The motion is carried.

Government motion number 75: Mr. Ballard.

Mr. Chris Ballard: I move that subsections 132(8), (9) and (10) of the Condominium Act, 1998, as set out in subsection 111(3) of schedule 1 to the bill, be struck out.

The Vice-Chair (Mr. Peter Z. Milczyn): Comment and debate?

Mr. Jim McDonell: Do we need another explanation?

Laughter.

The Vice-Chair (Mr. Peter Z. Milczyn): We're only here until 6.

Mr. Ballard.

Mr. Chris Ballard: Some high-level rationale: This again supports phased implementation by allowing the proposed new subsections in section 111 of the bill to be proclaimed into force at different times. It prevents potential for conflict between an arbitrator's jurisdiction and the RTA and it helps ensure that the extraordinary remedy of permanent removal can be pursued only in the courts or if the dispute is between a landlord and a residential tenant under the RTA.

1650

The Vice-Chair (Mr. Peter Z. Milczyn): Further comment and debate? Seeing none, shall motion number 75 be adopted? All those in favour? Opposed? The motion is carried.

Government motion number 76: Mr. Ballard.

Mr. Chris Ballard: I move that section 111 of schedule 1 to the bill be amended by adding the following subsection:

“(4) Section 132 of the act is amended by adding the following subsection:

“Payment of award on disagreements between corporation and owners

“(11) If a disagreement on a matter described in subsection (5) is submitted to arbitration under this section and an arbitral tribunal under the arbitration makes an order for compensation or costs, then, unless the corporation and the owner who is a party to the arbitration agree in writing otherwise,

“(a) the party against whom the tribunal makes the order shall pay the amount of the order within 30 days, unless the order specifies another time limit;

“(b) if the order requires the owner to pay compensation or costs to the corporation, the corporation may add the amount of the order to the contribution to the common expenses payable for the owner's unit; and

“(c) if the order requires the corporation to pay compensation or costs to the owner and the corporation does not pay the amount of the order within the time limit mentioned in clause (a), the owner may set off the amount against the contribution to the common expenses payable for the owner's unit.”

The Vice-Chair (Mr. Peter Z. Milczyn): Comment and debate?

Mr. Chris Ballard: If I may, Mr. Chair, just by way of a bit of explanation, I think together these amendments would reduce the potential for conflict between the Condominium Act and the RTA and clarify when and how courts may order the permanent removal of a person, including a tenant, from a condominium property.

The Vice-Chair (Mr. Peter Z. Milczyn): Further comment and debate? Seeing none, shall motion number 76 be adopted? All those in favour? Opposed? The motion is carried.

There are no further amendments proposed to schedule 1, section 111. Is there any further comment or debate? Seeing none, shall schedule 1, section 111, as amended,

be carried? All those in favour? Opposed? The section is carried.

Schedule 1, section 112: There are no amendments proposed. Is there any comment or debate? Seeing none, shall schedule 1, section 112, be carried? All those in favour? Opposed? The section is carried.

Schedule 1, section 113: government motion number 77.

Interjection.

The Vice-Chair (Mr. Peter Z. Milczyn): The Clerk advises me that we should deal with 78 first, before we deal with 77—obviously something to do with the persistence of one section to the other.

Mr. Baker, motion 78.

Mr. Yvan Baker: I move that subsection 113(3) of schedule 1 to the bill be struck out and the following substituted:

“(3) Section 134 of the act is amended by adding the following subsections:

“Notice to owner

“(2.1) Subject to subsections (2.2) and (2.3), a person is not entitled to apply for an order requiring an occupier of an owner's unit or any or all of the invitees, agents and employees of the owner or occupier to vacate a property permanently unless the applicant gives reasonable notice of the application to the owner.

“Service of notice

“(2.2) Despite subsection 47(4), if the applicant is not the corporation, the applicant shall give the notice in the prescribed manner.

“Exception, no notice

“(2.3) An applicant is not required to give the notice described in subsection (2.1) in the event of the circumstances that are prescribed, which may include an emergency or other event.

“Non-application

“(2.4) This section does not apply to any matter in dispute for which a person may apply for resolution under section 1.36 to the Condominium Authority Tribunal established under part I.2, if the tribunal has been established under that part.”

The Vice-Chair (Mr. Peter Z. Milczyn): Comment or debate?

Mr. Yvan Baker: I'll just say that this amendment would give the unit owner-landlords an opportunity to take appropriate action against their residential tenants under the RTA, except in emergencies, before an application by a condo corporation or others entitled to make the application is made for the permanent removal of that tenant. It would also reduce the potential for conflict between the Condominium Act and the RTA, and clarify when and how courts may order the permanent removal of a person, including a tenant, from a condominium property.

The Vice-Chair (Mr. Peter Z. Milczyn): Further comment or debate? Seeing none, shall motion number 78 be adopted? All those in favour? Opposed? It's carried.

Back to motion number 77: Mr. Baker.

Mr. Yvan Baker: I move that subsection 134(1) of the Condominium Act, 1998, as set out in subsection 113(1) of schedule 1 to the bill, be amended by striking out

"subsections (2) and (2.1)" in the portion before clause (a) and substituting "subsections (2), (2.1) and (2.4)".

The Vice-Chair (Mr. Peter Z. Milczyn): Comment or debate? Mr. Baker.

Mr. Yvan Baker: This supports related proposed amendments that are intended to reduce the potential for conflict between the Condominium Act and the RTA, and clarify when and how courts may order the permanent removal of a person, including a tenant, from a condominium property.

The Vice-Chair (Mr. Peter Z. Milczyn): Further comment or debate? Seeing none, shall motion number 77 be adopted? All those in favour? Opposed? The motion is carried.

Government motion number 79.

Mr. Jagmeet Singh: Motion 79?

The Vice-Chair (Mr. Peter Z. Milczyn): Motion 79.

Mr. Jagmeet Singh: That would be an NDP motion.

The Vice-Chair (Mr. Peter Z. Milczyn): Is it my mistake? It says "government"—

Interjection.

The Vice-Chair (Mr. Peter Z. Milczyn): My apologies, Mr. Singh.

Mr. Jagmeet Singh: Thank you very much, Mr. Chair. I move that subsection 113(4) of schedule 1 to the bill be struck out.

And that is it: Strike it out.

The Vice-Chair (Mr. Peter Z. Milczyn): Comment or debate? Mr. Baker?

Mr. Yvan Baker: Could I just ask for the rationale?

Mr. Jagmeet Singh: That's a great question. Give me one moment, please, Mr. Chair, and I will provide you that rationale.

Well, as I'm usually verbose and would be able to provide you with very eloquent explanations to all of our motions up to date, on this motion in particular I have to say I am unable to provide very detailed reasons. But I can say this: The purpose for all our amendments is to ensure that there's greater protection for condominium owners.

The Vice-Chair (Mr. Peter Z. Milczyn): Mr. Wood can offer an explanation as to the result.

Mr. Michael Wood: By way of a question to Mr. Singh, it looks to me as if what he is proposing with his motion number 81 is really dealing with what the government was trying to do in subsection 113(4) of the bill. So it looks to me as if Mr. Singh prefers his motion number 81 to subsection 113(4) of the government bill.

Mr. Jagmeet Singh: Right. I can now provide some more explanation. Decisions around when someone should be removed or when a tenant should no longer be in a particular place should go through a due process. I mean, everyone is entitled to due process, and there's currently a process for that; that's through the landlord and tenant tribunal.

Instead of having a separate process by which to remove someone, there's existing jurisprudence, existing process, existing due process; and for greater fairness, transparency and accountability with respect to how to remove someone, the rights that already exist in the land-

lord and tenant tribunal are the better vehicle to provide that security or that sense of due process.

The Vice-Chair (Mr. Peter Z. Milczyn): Mr. Baker?

Mr. Yvan Baker: I would recommend voting against the motion. I think government motions that are comprehensive already address potential conflicts within the Residential Tenancies Act.

The Vice-Chair (Mr. Peter Z. Milczyn): Further comment or debate? Seeing none, shall motion number 79 be adopted? All those in favour? Opposed? The motion is not carried.

Official opposition motion number 80.

1700

Mr. Toby Barrett: Thank you, Chair. I move that section 134 of the Condominium Act, 1998, as set out in subsection 113(4) of schedule 1 to the bill, be amended by adding the following subsection:

"Time for payment

"(3.0.1) An order under subsection (3) that awards damages or costs specify that the damages or costs are payable within 90 days."

The Vice-Chair (Mr. Peter Z. Milczyn): Comment or debate? Mr. McDonnell?

Mr. Jim McDonnell: The rationale is that if an owner has to pay, they have to pay straight away or face severe consequences. When a corporation has to pay, the owner does not have a guaranteed timeline for payment. A large award could take years to recoup if it's just set off against common expenses. This amendment creates a fair framework where anyone who has to pay an award must do so within 90 days. This gives the corporation enough time to authorize the payment, and the owner enough time to arrange the payment, if needed.

The Vice-Chair (Mr. Peter Z. Milczyn): Comment or debate? Mr. Ballard?

Mr. Chris Ballard: This motion addresses the time for payment of monetary awards in the Ontario Superior Court of Justice. The deadline for the payment of a monetary award in an order of the Ontario Superior Court of Justice is the proper subject matter of the applicable rules of the court and the discretion of a judge making the order. I would recommend voting against this motion because it risks taking away from the discretion and the authority of the court.

The Vice-Chair (Mr. Peter Z. Milczyn): Further comment or debate? Seeing none—

Interjection.

The Vice-Chair (Mr. Peter Z. Milczyn): Mr. McDonnell?

Mr. Jim McDonnell: I guess I'll say that it protects the rights of the owners in a case like this, especially if they're looking at moving out. They're getting rid of their common expenses, and it creates a problem.

The Vice-Chair (Mr. Peter Z. Milczyn): Further comment or debate? Shall motion number 80 be adopted? All those in favour? Opposed? The motion is not carried.

NDP motion number 81: Mr. Singh?

Mr. Jagmeet Singh: I move that section 113 of schedule 1 to the bill be amended by adding the following subsection:

“(4.1) Subsection 134(4) of the act is repealed and the following substituted:

“Order terminating lease

“(4) The court shall not, under subsection (3), grant an order terminating a lease of a unit for residential purposes.”

The Vice-Chair (Mr. Peter Z. Milczyn): Comment or debate? Mr. Ballard?

Mr. Chris Ballard: I'm just wondering if Mr. Singh can give us a little more rationale.

Mr. Jagmeet Singh: That's a great question. I appreciate that.

Interjections.

Mr. Jagmeet Singh: Again, thank you so much for that question. It's a great opportunity to share my rationale.

In general, the same rationale applies. In matters that relate to disputes with respect to landlords and tenants there is an existing process that's available. That process is preferred to creating a new process through the condominium authority. The previous amendment as well as this amendment are all providing for guidance with respect to that in saying that we should give the landlord tribunal process—it should be superior to creating a new tribunal process. That protection that exists already should continue, and creating another forum for that is not appropriate, given that we already have an existing system which does a good job of protecting tenant rights.

The Vice-Chair (Mr. Peter Z. Milczyn): Further comment or debate? Mr. Ballard?

Mr. Chris Ballard: Thank you for the clarification. In my reading of this motion, it would prohibit courts from terminating residential leases under the Condominium Act. This is already accomplished by government motions that propose a comprehensive set of amendments that clarify when and how occupiers—including residential tenants, Chair—can be permanently removed from the condominium property, and that address potential conflicts between the Condominium Act and the Residential Tenancies Act.

In summary, I would recommend against the motion because I believe that there are comprehensive government motions contained that already address the potential conflicts with the Residential Tenancies Act.

The Vice-Chair (Mr. Peter Z. Milczyn): Further comment or debate? Mr. Singh?

Mr. Jagmeet Singh: Just to make it a bit more clear, not only does the current tribunal protect tenant rights, but it also provides a great avenue for landlords. If there was a suggestion to improve the existing tribunal to provide better mechanisms, to streamline certain things—I know that tenants sometimes complain about certain processes and I know, certainly, landlords complain about certain problems with the existing tribunal system, but that system would be superior to a brand new system that's created. The government motions go through and list how to remove someone or, if there's dispute, how to resolve it, but coming up with a brand new system rather

than amending an existing system that largely does work is not the way to go. That's the rationale behind it.

The Vice-Chair (Mr. Peter Z. Milczyn): Further comment or debate? Seeing none, shall motion number 81 be adopted? All those in favour? Opposed? The motion does not carry.

Government motion number 82: Mr. Ballard.

Mr. Chris Ballard: It's my turn. I move that subsections 113(4) and (5) of schedule 1 to the bill be struck out and the following substituted:

“(4) Subsection 134(3) of the act is amended by striking out ‘subject to subsection (4)’ in the portion before clause (a).

“(5) Subsections 134(4) and (5) of the act are repealed.”

The Vice-Chair (Mr. Peter Z. Milczyn): Comment or debate?

Mr. Chris Ballard: Really, these are proposed technical amendments that work in conjunction with other amendments to reduce the risk for conflicts between the Condominium Act and the RTA. More specifically, it would repeal a subsection of the Condominium Act to address a conflict between it and the RTA that allows courts to terminate residential leases. A tenancy may only be terminated in accordance with the Residential Tenancies Act.

The Vice-Chair (Mr. Peter Z. Milczyn): Further comment or debate? Mr. McDonell.

Mr. Jim McDonell: We oppose this. The amendment appears to take away the limitation that the court can't order a tenant to vacate the property, as well as removing the corporation's right to set an award against an owner's common expenses. We support the common expenses, but we can't support an erosion of the tenant's right to have their tenancy dealt with by the Landlord and Tenant Board.

The Vice-Chair (Mr. Peter Z. Milczyn): Further comment or debate? Mr. Ballard.

Mr. Chris Ballard: Just a final comment that I wanted to get on the record: The condo corporations also retain remedies to enforce compliance against tenants and other occupiers short of removal, including the right to seek an order for compliance through the courts or the proposed new tribunal and to recover the costs of obtaining the order from the occupier or the unit owner.

The Vice-Chair (Mr. Peter Z. Milczyn): Further comment or debate? Seeing none, shall motion number 82 be adopted? All those in favour? Opposed? The motion is carried.

There are no further amendments proposed to schedule 1, section 113. Is there any further debate or comment on this section? Seeing none, shall schedule 1, section 113, as amended, be carried? All those in favour? Opposed? The section is carried, as amended.

Schedule 1, section 114, government motion number 83: Mr. Ballard.

Mr. Chris Ballard: I move that subsection 134.1(1) of the Condominium Act, 1998, as set out in section 114 of schedule 1 to the bill, be amended by striking out

"subsection 132(8)" and substituting "subsection 132(9)".

The Vice-Chair (Mr. Peter Z. Milczyn): Comment or debate? Mr. Ballard.

Mr. Chris Ballard: Again, I can just say that the proposed response and rationale for this motion are that, together, these amendments reduce that potential for conflict between the Condominium Act and the RTA and clarify when and how courts may order the permanent removal of a person, including a tenant, from a condominium property.

The Vice-Chair (Mr. Peter Z. Milczyn): Further comment or debate? Seeing none, shall motion number 83 be adopted? All those in favour? Opposed? It's carried.

There are no further amendments to section 114. Is there further debate or comment? Seeing none, shall schedule 1, section 114, as amended, be carried? All those in favour? Opposed? The schedule is carried.

Schedule 1, section 114.1, government motion number 84: Mr. Ballard.

1710

Mr. Chris Ballard: I move that schedule 1 to the bill be amended by adding the following section:

"114.1 The act is amended by adding the following sections:

"Order for permanent removal of person

"135.1(1) Despite subsections 134(3) and 135(3), the court shall not, under either of those subsections, make an order that requires a person to vacate a property permanently unless the court is satisfied that,

"(a) the person is in contravention of subsection 117(1) and poses a serious risk,

"(i) to the health and safety of an individual, or

"(ii) of damage to the property or the assets, if any, of the corporation;

"(b) in respect of an order under subsection 134(3), on the basis of the person's acts of non-compliance,

"(i) the person is unsuited for the communal occupation of the property or the communal use of the property, and

"(ii) no other order will be adequate to enforce compliance; or

"(c) in respect of an order under subsection 135(3), on the basis of the person's conduct,

"(i) the person is unsuited for the communal occupation of the property or the communal use of the property, and

"(ii) no other order will be adequate to prohibit the conduct.

"Exception

"(2) A person is not entitled to apply for an order described in subsection (1) against a tenant of a unit if the person is a landlord, within the meaning of the Residential Tenancies Act, 2006, in respect of the unit.

"Addition to common expenses

"(3) If a corporation obtains an award of damages, compensation or costs against an owner or occupier of an unit in an order made under subsection 134(3) or 135(3), the damages, compensation or costs, together with any additional actual costs to the corporation in obtaining the

order, shall be added to the contribution to the common expenses payable for the unit.

"Additional costs of owner

"(4) If an owner of a unit obtains an award of damages, compensation or costs against a corporation in an order made under subsection 134(3) or 135(3), the owner is entitled to recover from the corporation the amount of the award, together with any additional actual costs to the owner in obtaining the order.

"Set-off against common expenses

"(5) If the corporation does not pay the amount an owner is entitled to under subsection (4) within the prescribed time, the owner may set off the amount against the contribution to the common expenses payable for the owner's unit.

"No termination of tenancy

"135.2(1) Nothing in this act permits the termination of a tenancy governed by subsection 37(1) of the Residential Tenancies Act, 2006.

"Same

"(2) An order described in subsection 135.1(1) is not an order for the termination of a tenancy described in subsection (1)."

The Vice-Chair (Mr. Peter Z. Milczyn): Comment or debate?

Mr. Chris Ballard: I have several pages but, if I may, Mr. Chair, the motion works together with other motions to reduce the potential for conflict between the Condominium Act and the RTA, and clarifies when and how courts may order the permanent removal of a person, including a tenant, from a condominium property in extreme cases by prohibiting condo corporations, owners or others from using the Condominium Act to seek an order to terminate a tenancy that is governed by the RTA.

This ensures that condo corporations and unit owners maintain the right to seek permanent removal of persons, including tenants, from the condominium property in extraordinary cases of non-compliance or oppressive conduct, except for unit owner-landlords against their own tenants.

Thirdly, adopting the common law test currently being used by the courts under the Condominium Act to order the permanent removal of a person, including a tenant, from a condominium property where that person poses a serious risk to the health and safety of a person or a serious risk of damage to the condominium property, or the person's non-compliance or oppressive conduct makes them unsuited to the communal occupation or the communal use of the property: No order other than permanent removal would be an adequate remedy. I'll leave it there for now.

The Vice-Chair (Mr. Peter Z. Milczyn): Further debate and comment? Mr. McDonell.

Mr. Jim McDonell: Yes, Chair. This amendment specifies the reasons for which a tenant in a condo can be evicted by court order, and we firmly are on the side of the tenant's right to be heard by the Landlord and Tenant Board. The same issues: danger to health and safety, danger of damage, and suited for communal occupation, etc., can be addressed by the Landlord and Tenant Board.

The next section created by the government, 135.2, states that although the court may order a person removed, that order is not a termination of tenancy; it's just an eviction by another name.

The Vice-Chair (Mr. Peter Z. Milczyn): Mr. Singh.

Mr. Jagmeet Singh: We're kind of going on the same issue. The Condominium Act, before the government opened it up through this new bill, had an existing tension or conflict where elements of the Condominium Act conflicted with the Residential Tenancies Act already. This is something that we knew about. This is something that was in existence. It seems to be a very inelegant solution to a problem.

This is something that we've heard about. Proper consultation would have avoided the fact that a bill was crafted and then an amendment had to be brought forward to correct a problem. This is something that should have been dealt with much earlier as this is a long-standing problem: the fact that the Condominium Act and the Residential Tenancies Act have this conflicting situation. Our goal was to remove that conflict altogether and to say, "Let's take it out of the Condominium Act and leave it in the Residential Tenancies Act." Leave it with the existing tribunal; leave it with the existing structures that are in place for landlords and tenants. That would be a more simple solution and, I would suggest, an even more elegant solution than having these two competing acts that are trying to do the same thing. Instead of having the condominium have this authority separate from the existing board, the existing tribunal and the existing landlord-tenant structure, it would make sense that the condominium would just flow through that system—use the existing system—instead of having two parallel systems. That has been the problem.

I would have hoped that the government would have had the consultations, heard this issue, because it's not something new; it's something that we've known about for a long time. Instead of continuing and entrenching this inconsistency, having two parallel ways of dealing with this, just go with one. That's largely what the concern is.

The Vice-Chair (Mr. Peter Z. Milczyn): Further debate or comment? Mr. Ballard.

Mr. Chris Ballard: Just a very quick comment, Mr. Chair. My reading of this is that this actually resolves that conflict between the Condominium Act and the RTA by more clearly delineating what the condominium board can do and what the relationship vis-à-vis a landlord and tenant is.

It would ultimately give owner-landlords the opportunity to take action against their residential tenants under the RTA and it would ensure that condo corporations are able to permanently remove a person, including a tenant in severe cases, through a legislated process. But my reading of this is that the condominium board would not be able to interfere in that contract between tenant and owner of the unit.

The Vice-Chair (Mr. Peter Z. Milczyn): Further debate and comment? Seeing none, shall motion number 84 be adopted? All those in favour? Those opposed? The

motion is carried. There are no further amendments to this section.

The next section, schedule 1, section 115: official opposition motion number 85. Mr. Barrett.

Mr. Toby Barrett: Thank you, Chair. I move that section 136.1 of the Condominium Act, 1998, as set out in section 115 of schedule 1 to the bill, be amended by adding the following subsection:

"Ineligibility

"(5) A person convicted of an offence under subsection (2) or (3) is not eligible to hold any position on the board of any public agency, board or commission for a period of 10 years from the date of conviction."

1720

The Vice-Chair (Mr. Peter Z. Milczyn): Debate or comment? Mr. McDonell.

Mr. Jim McDonell: Yes. People who are appointed to or are employed by the condominium authorities are trustees of good public service. We believe that if one has contravened the law while holding such office, they should be ineligible for a public appointment for at least 10 years.

The Vice-Chair (Mr. Peter Z. Milczyn): Mr. Ballard?

Mr. Chris Ballard: Thank you, Chair. My read on motion 85 is that it's normally dealt with in a parent statute establishing the agency, board or commission or by a Management Board directive. So I think frankly that the proposed motion is irrelevant to the subject matter. It's really beyond the scope of the Condominium Act.

The Vice-Chair (Mr. Peter Z. Milczyn): Further debate or comment? Seeing none, shall motion number 85 be adopted? All those in favour? Opposed? That is not carried.

There are no further amendments proposed to section 115. Is there any further debate or comment? Seeing none, shall schedule 1, section 115 be carried? All those in favour? Opposed? This section is carried.

There are no amendments proposed to schedule 1, section 116. Is there any debate or comment? Seeing none, shall schedule 1, section 116 be carried? All those in favour? Opposed? The section is carried.

Schedule 1, section 117: official opposition motion 86. Mr. Barrett.

Mr. Toby Barrett: Thank you, Chair. I move that subsection 137(1) of the Condominium Act, 1998, as set out in section 117 of schedule 1 to the bill, be amended by striking out "55(1) or 72(1), section 72.1 or 81" and substituting "55(1), (3), (6) or 72(1), section 72.1, subsection 76(3) or section 81".

The Vice-Chair (Mr. Peter Z. Milczyn): Debate or comment? Mr. McDonell.

Mr. Jim McDonell: Yes. The rationale is, the amendment makes it an offence to fail to make a timely disclosure of key documents and a failure to provide a status certificate in a timely manner.

Stakeholders have highlighted how some condos delay these disclosures, frustrating owners and purchasers. Again, these are documents that should be released, and we think that it's only proper.

The Vice-Chair (Mr. Peter Z. Milczyn): Further debate or comment? Ms. Vernile.

Ms. Daiene Vernile: Chair, I recommend voting against this motion. There are already adequate deterrents in the act, I believe, and it would be excessive to make a contravention of these subsections an offence under the act as it is now.

The Vice-Chair (Mr. Peter Z. Milczyn): Further debate or comment? Mr. McDonell.

Mr. Jim McDonell: Yes, I just wonder where somebody would be forced to disclose documents in a timely manner. I don't see that in the bill. We have stakeholders that say that it is an issue now. If documents should be released before a certain meeting or whatever the event is, they should be available to the owners.

The Vice-Chair (Mr. Peter Z. Milczyn): Mr. Singh?

Mr. Jagmeet Singh: Thank you very much, Mr. Chair. I've also heard the same concerns from stakeholders: that disclosure of these key documents has certainly frustrated condominium owners. Ensuring that there is some remedy or some way to ensure that these documents are released: If we don't have an offence, what other avenue is there to ensure that these documents are actually produced in a timely manner? Without having some sort of ability or punitive measure to discourage those who purposefully—I guess maybe not purposefully—frustrate the condominium owners by not providing these documents, doesn't really provide the protection that our stakeholders are looking for and that condominium owners are looking for. That's why I will support this motion. I think it's important. It's an issue that has come up. Disclosure of documents is very crucial in the purchase of a unit.

The Vice-Chair (Mr. Peter Z. Milczyn): Ms. Vernile?

Ms. Daiene Vernile: I would direct you to section 55 of the Condominium Act, under penalty.

The Vice-Chair (Mr. Peter Z. Milczyn): Further debate or comment? Seeing none, shall—

Mr. Jagmeet Singh: Perhaps just a quick second to confirm that.

The Vice-Chair (Mr. Peter Z. Milczyn): Mr. Singh?

Mr. Jagmeet Singh: I'd just like to double-check. If it is there, then maybe that changes my opinion. Just a quick second to see if it's—I think the member indicated that it was in section 55.

Interjection.

Mr. Jagmeet Singh: Sorry—not in motion 55, but an existing component of the Condominium Act, as it stands. Because as it stands, I don't see it there.

Ms. Daiene Vernile: I'm happy to read this to you. Section 55:

"Penalty for non-compliance

"(8) A corporation that without reasonable excuse does not permit an owner, a purchaser or a mortgagee of a unit or an agent of one of them duly authorized in writing to examine or to obtain copies of records under this section shall pay a sum determined in accordance with the regulations to the owner, purchaser or mortgagee on receiving a written request for payment from that person."

The Vice-Chair (Mr. Peter Z. Milczyn): Just for clarity: Ms. Vernile, I believe, is reading from the Condominium Act. What's before us today is An Act to amend the Condominium Act, so you would not see it in the bill that's before us today.

Mr. Jagmeet Singh: Thank you.

The Vice-Chair (Mr. Peter Z. Milczyn): Any further debate or comment? Seeing none, motion 86: Will it be adopted? All those in favour? Opposed? That does not carry.

Official opposition motion number 87: Mr. Barrett.

Mr. Toby Barrett: I move that subsection 137(5) of the Condominium Act, 1998, as set out in section 117 of schedule 1 to the bill, be amended by striking out "after the second anniversary of the day" and substituting "after the fifth anniversary of the day".

The Vice-Chair (Mr. Peter Z. Milczyn): Comment or debate? Mr. McDonell.

Mr. Jim McDonell: We believe that people should have the right to seek recourse against offending condominiums for five years rather than two.

The Vice-Chair (Mr. Peter Z. Milczyn): Further comment or debate? Ms. Vernile.

Ms. Daiene Vernile: Chair, I would submit that this could discourage timely prosecutions and it's inconsistent with the limitation period in MGCS statutes. Two years is a typical limitation time.

The Vice-Chair (Mr. Peter Z. Milczyn): Further comment or debate? Seeing none, shall motion number 87 be adopted? All those in favour? Those opposed? The motion does not carry.

There are no further amendments to schedule 1, section 117. Is there any further debate or comment? Seeing none, shall schedule 1, section 117, be carried? All those in favour? Opposed? This section is carried.

I've noticed that there are no amendments proposed to schedule 1, section 118 through section 139, inclusive. If there are no objections, I will deal with this as one item.

Is there any debate or comment on schedule 1, sections 118 through 139, inclusive? Seeing none, shall schedule 1, sections 118 through 139, inclusive, be carried? All those in favour? Opposed? These sections are adopted.

Schedule 1, section 140: government motion number 88. Mr. Ballard.

Mr. Chris Ballard: I move that paragraphs 0.2 and 0.3 of subsection 177(1) of the Condominium Act, 1998, as set out in subsection 140(1) of schedule 1 to the bill, be struck out.

The Vice-Chair (Mr. Peter Z. Milczyn): Debate or comment?

Mr. Chris Ballard: Just for rationale, Mr. Chair: This amendment resolves an apparent conflict between the Condominium Act and the RTA. It ensures that condo corporations are able to permanently remove a person, including a tenant in severe cases, through a clear legislated process, and it applies the same standard of permanent removal to all persons, including owners and tenants. It gives unit owners an opportunity to take ap-

propriate action against their occupiers before an application by a condo corporation or another owner is made for the permanent removal of the occupier. This would give owner-landlords the opportunity to take action against their residential tenants under the RTA.

1730

The Vice-Chair (Mr. Peter Z. Milczyn): Further debate or comment? Seeing none, shall motion number 88 be adopted? All those in favour? Opposed? The motion is carried.

Government motion number 89: Mr. Ballard.

Mr. Chris Ballard: I move that paragraph 6.4 of subsection 177(1) of the Condominium Act, 1998, as set out in subsection 140(3) of schedule 1 to the bill, be struck out.

The Vice-Chair (Mr. Peter Z. Milczyn): Debate or comment?

Mr. Chris Ballard: Very simply, Chair, it's necessary to support phased implementation.

The Vice-Chair (Mr. Peter Z. Milczyn): Further debate or comment? Seeing none, shall motion number 89 be adopted? All those in favour? Those opposed? The motion is carried.

Government motion number 90: Mr. Ballard.

Mr. Chris Ballard: I move that section 140 of schedule 1 to the bill be amended by adding the following subsection:

“(3.1) Subsection 177(1) of the act is amended by adding the following paragraph:

“6.4 governing the quorum required for the transaction of business at a meeting of owners to which clause 45.1(1)(a.1) applies;”

The Vice-Chair (Mr. Peter Z. Milczyn): Debate or comment? Mr. Ballard?

Mr. Chris Ballard: Again, Chair, this is necessary to support phased implementation. It's a technical amendment.

The Vice-Chair (Mr. Peter Z. Milczyn): Further debate or comment? Seeing none, shall motion number 90 be adopted? All those in favour? Opposed? It's carried.

Government motion number 91: Mr. Ballard.

Mr. Chris Ballard: I move that subsection 140(7) of schedule 1 to the bill be struck out and the following substituted:

“(7) Paragraph 13 of subsection 177(1) of the act is repealed.

“(7.1) Paragraph 14 of subsection 177(1) of the act is repealed.

“(7.2) Subsection 177(1) of the act is amended by adding the following paragraph:

“13. governing the manner in which the current fiscal year mentioned in clause 97(5)(c) or 97(9)(a) is to be determined;”

“(7.3) Subsection 177(1) of the act is amended by adding the following paragraph:

“14. governing what constitutes a condition or activity mentioned in section 117;”

The Vice-Chair (Mr. Peter Z. Milczyn): Debate or comment? Mr. Ballard?

Mr. Chris Ballard: Once again, it's a technical amendment that supports implementation by allowing the

proposed new regulation, making the authority of the bill to be proclaimed into force at different times.

The Vice-Chair (Mr. Peter Z. Milczyn): Further debate or comment? Seeing none, shall motion number 91 be adopted? All those in favour? Opposed? Carried.

Government motion number 92: Mr. Ballard.

Mr. Chris Ballard: I move that paragraph 15.4 of subsection 177(1) of the act, as set out in subsection 140(8) of schedule 1 to the bill, be amended by striking out “subsections 134(5) and (6)” and substituting “subsections 135.1(3) and (4)”.

The Vice-Chair (Mr. Peter Z. Milczyn): Debate or comment? Mr. Ballard?

Mr. Chris Ballard: There, again, the amendment is supporting the new section of 114.1 of the bill, and making it consistent with that new section.

The Vice-Chair (Mr. Peter Z. Milczyn): Further debate or comment? Seeing none, shall motion number 92 be adopted? All those in favour? Opposed? Carried.

Official opposition motion number 93: Mr. Barrett.

Mr. Toby Barrett: Chair, my understanding is that we would withdraw this motion because amendment number 45 did not pass.

The Vice-Chair (Mr. Peter Z. Milczyn): Withdrawn?

Mr. Toby Barrett: Yes.

The Vice-Chair (Mr. Peter Z. Milczyn): There are no further amendments proposed to schedule 1, section 140. Is there any further debate or comment? Seeing none, shall schedule 1, section 140, as amended, be carried? All those in favour? Opposed? Carried.

There are no amendments proposed to schedule 1, section 141 and section 142. Therefore I recommend, if there's no objection, we deal with them together. Seeing no objection, is there any debate or comment? Shall schedule 1, section 141 and section 142, be carried? All those in favour? Opposed? These two sections are carried.

Schedule 1, section 142.1, NDP motion number 94: Mr. Singh.

Mr. Jagmeet Singh: I move that schedule 1 of the bill be amended by adding the following section:

“142.1 The act is amended by adding the following section:

“Review

“183.1 The minister shall ensure that a review of this act is undertaken within 10 years of the coming into force of this section, and within every 10-year period thereafter.”

The Vice-Chair (Mr. Peter Z. Milczyn): Debate or comment?

Mr. Jagmeet Singh: Yes. I'll just quickly explain. We have seen a big gap in review when it comes to the Condominium Act, and it's only now that the government is finally opening up this act and reviewing and making some changes. In order to address issues that may arise in the future, without having to bring forward another bill, if we prescribe that this act is reviewed in 10 years, and every 10 years, it will provide some regularity by which people who own condominiums can have some sense of security that there will be a review of the act in case there are issues that need to be addressed on an ongoing basis.

The Vice-Chair (Mr. Peter Z. Milczyn): Further debate or comment? Ms. Vernile.

Ms. Daiene Vernile: I recommend that we actually vote against this motion because the act already has flexibility to address new and emerging issues over time, through the regulations. This motion is going to create an unnecessary burden for government. It's going to restrict the flexibility of the government to review the act when it considers it necessary.

The Vice-Chair (Mr. Peter Z. Milczyn): Further debate or comment? Mr. McDonell.

Mr. Jim McDonell: I think we see the growth in the condominium market. I think it's a reasonable approach to review the act every 10 years. It's been a long time since it's been done, and we look at the issues that we have been—it's almost a daily occurrence where we have people coming in asking for help in their condominium contracts. So we support this motion.

The Vice-Chair (Mr. Peter Z. Milczyn): Mr. Singh.

Mr. Jagmeet Singh: Just one clarification: There is nothing that would preclude the government from doing a review any earlier. This simply states that at least it should be done every 10 years, and every 10 years thereafter, but it doesn't stop the government from doing one sooner, if the government decided to do one sooner. Unless legislative counsel disagrees with me, I think there would be no preclusion to do it any time the government sees fit to do so. It doesn't impede flexibility in the sense of allowing the government to do it sooner. It just ensures that it happens at least every 10 years.

The Vice-Chair (Mr. Peter Z. Milczyn): Further debate or comment? Ms. Vernile.

Ms. Daiene Vernile: Chair, a typical time period for review is within every five years.

The Vice-Chair (Mr. Peter Z. Milczyn): Further debate or comment?

Mr. Jagmeet Singh: I'd be happy to amend it to make it five years.

The Vice-Chair (Mr. Peter Z. Milczyn): Is that your intention, Mr. Singh?

Mr. Jagmeet Singh: If I were to get the support, I'd be happy to do so.

The Vice-Chair (Mr. Peter Z. Milczyn): Either you want to amend it or you don't.

Mr. Jagmeet Singh: You know what? Why not? Mix things up a bit. Sure. I want to amend it.

The Vice-Chair (Mr. Peter Z. Milczyn): That can be done verbally. The members are okay with the amendment being done verbally?

Ms. Daiene Vernile: Chair, we don't want to create these kinds of boundaries, though. We want to have flexibility.

The Vice-Chair (Mr. Peter Z. Milczyn): It sounds like you're not going to be getting the support.

Mr. Jagmeet Singh: We might as well just do it for the sake of it. Can I do a verbal amendment to make it every five years, and then we'll vote on it?

The Vice-Chair (Mr. Peter Z. Milczyn): Mr. Singh, withdraw this amendment and enter your new amendment verbally.

1740

Mr. Jagmeet Singh: Yes, I will withdraw this amendment and I will read in, verbally, the amended version. Withdrawn, and I'm now reading in the amended version.

I move that schedule 1 of the bill be amended by adding the following section:

"142.1 The act is amended by adding the following section:

"Review

"183.1 The minister shall ensure that a review of this act is undertaken within five years of the coming into force of this section, and within every five-year period thereafter."

The Vice-Chair (Mr. Peter Z. Milczyn): Further comment or debate? Yes, Ms. Hoggarth.

Ms. Ann Hoggarth: My opinion on this is that perhaps in three years the government may need to do this. If you put in "five years," they'd have to go to the extra expense of doing it again. I really don't think that you should tie their hands in that regard. I do believe that it will be reviewed, probably, within every five years, if it's needed.

Mr. Jagmeet Singh: Mr. Chair, through you to Ms. Hoggarth: I think, indeed, there would be some times when we would like to tie the hands of the government, certainly. I'll ask for a recorded vote, and we can proceed to vote when everyone is ready.

The Vice-Chair (Mr. Peter Z. Milczyn): Any further debate or comment? Mr. Singh has asked for a recorded vote on this.

Ayes

Barrett, McDonell, Singh.

Nays

Albanese, Baker, Ballard, Hoggarth, Vernile.

The Vice-Chair (Mr. Peter Z. Milczyn): The motion is not carried.

NDP motion number 95: Mr. Singh.

Mr. Jagmeet Singh: I move that schedule 1 of the bill be amended by adding the following section:

"142.1 The act is amended by adding the following section:

"Review

"183.2(1) Any two persons who believe that an existing policy, regulation or instrument created under the act should be amended, repealed or revoked in order to protect the public interest may apply to the minister for a review of the policy, regulation or instrument.

"Form

"(2) Where a form has been prescribed, the application shall be in the prescribed form.

"Mandatory information

“(3) The application shall include,

“(a) the names and addresses of the applicants;

“(b) the policy, regulation or instrument for which a review is being sought;

“(c) an explanation as to why the review should be undertaken in order to protect the public interest; and

“(d) a summary of evidence supporting the applicants’ belief that a review is necessary in order to protect the public interest.

“Acknowledgement of receipt

“(4) The minister shall acknowledge receipt of an application to the applicants within 20 days of the receipt.

“Preliminary review

“(5) The minister shall consider each application for review in a preliminary way to determine whether the review is warranted.

“If review warranted

“(6) If the minister determines that the review is warranted in order to protect the public interest, the minister shall conduct the review within a reasonable time.

“Notice, etc.

“(7) Within 60 days of receiving an application for review, the minister shall give notice of his or her decision whether to conduct a review, together with a brief statement of the reasons for the decision, to the applicants and to anyone else with a direct interest in the outcome of the review.

“Outcome, etc.

“(8) Within 30 days of completing a review, the minister shall give notice of the outcome of the review to the applicants and anyone else with a direct interest in the outcome of the review, and this notice shall state what actions, if any, the minister has taken or proposes to take as a result of the review.

“No personal information

“(9) No notice given by the minister under this section shall disclose any personal information about the applicants.”

The Vice-Chair (Mr. Peter Z. Milczyn): Debate or comment?

Mr. Jagmeet Singh: Yes, indeed—unless someone else does, but I will. Long story short: This creates a manner by which the public can initiate a review. There are times when the government may say that there’s a review necessary. Maybe there’s a rash of complaints that have come up, and the government decides, “Okay, we need to conduct a review.”

This would then create a right to request a review so that the public can initiate this request. It is a great democratic forum. It creates an ability to petition the government, essentially, to review the act. It’s something that I’m sure we would have received lots of petitions to review the act—and the big gap that we’ve seen between the first implementation of the Condominium Act and the present day.

This would provide a creative, new solution to people who are frustrated with an existing act and have no way to encourage it being reviewed, and allow for it to be reviewed.

The Vice-Chair (Mr. Peter Z. Milczyn): Further debate or comment? Ms. Vernile?

Ms. Daiene Vernile: Chair, the ministry already has procedures in place to address people who have questions or concerns regarding existing policies. So this would be a duplication.

The Vice-Chair (Mr. Peter Z. Milczyn): Further debate or comment? Seeing none, shall motion number 95 be adopted? All those in favour? Opposed? The motion does not carry.

There are no amendments proposed to schedule 1, sections 143 to 149, inclusive. If there are no objections, I will deal with these as a block. Is there any debate or comment? Seeing none, shall schedule 1, sections 143 to 149, inclusive, be carried? All those in favour? Opposed? These sections are carried.

Schedule 1, section 150: official opposition motion number 96. Mr. Barrett.

Mr. Toby Barrett: I move that section 150 of schedule 1 to the bill be amended by adding the following subsection:

“(4.1) Section 2 of the act is amended by adding the following subsection:

“Corporation is a public sector body

“(4) The corporation is a public sector body for the purposes of the Ombudsman Act.”

The Vice-Chair (Mr. Peter Z. Milczyn): Committee members, I’m going to rule that this amendment is out of order as, in my opinion, it’s beyond the scope of the bill. Similar to earlier rulings, you can’t do indirectly what you can’t do directly. So motion number 96 is ruled out of order.

NDP motion number 97: Mr. Singh.

Mr. Jagmeet Singh: Just a point of clarification: If a motion is ruled out of order then there’s no debate on it?

The Vice-Chair (Mr. Peter Z. Milczyn): No, the Chair’s ruling is not debatable.

Mr. Jagmeet Singh: No, no; not your ruling. But then you can’t make any comments with respect to the motion?

The Vice-Chair (Mr. Peter Z. Milczyn): No, because the amendment is no longer before the committee.

Mr. Jagmeet Singh: Right. Okay: 97. I move that section 22.1 of the Ontario New Home Warranties Plan Act, as set out in subsection 150(13) of schedule 1 to the bill, be amended by adding the following clauses:

“(d) the disclosure and contents of the report made under section 5;

“(e) requirements with respect to any action the tribunal may take under subsection 16(3);

“(f) standards, requirements and other criteria with respect to any by-law made under section 23.”

The Vice-Chair (Mr. Peter Z. Milczyn): Comments or debate?

Mr. Jagmeet Singh: Yes.

The Vice-Chair (Mr. Peter Z. Milczyn): Mr. Singh.

Mr. Jagmeet Singh: Thank you, Mr. Chair. As it stands, there would be many more amendments that we would have brought forward as the NDP with respect to Tarion but, Chair, as you ruled earlier, we’re limited by what we’re able to bring in—what motions we’re able to bring in—due to what has been opened up by the bill.

However, in this particular case we are able to bring this motion forward. The purpose of this is, there are a number of concerns around Tarion. One of the major concerns—a number of them can be addressed through this amendment. One is that this amendment would allow the Lieutenant Governor in Council to make regulations governing the contents of Tarion's annual report. As it stands, Tarion can release an annual report and put whatever they want, or not put whatever they don't want to include. That shouldn't be the case; it should be something that's set by the government.

Secondly, this would take away the ability for Tarion to regulate how the Licence Appeal Tribunal might rule on Tarion decisions. The existing manner by which this happens is a far over-reach of the powers that Tarion should have. They should not have the ability to regulate the Licence Appeal Tribunal and their decisions. This is something that needs to be rectified, and it would be a great improvement if we were able to do so.

1750

Finally, the bylaws that are set by Tarion are set by Tarion itself. This amendment would allow the Lieutenant Governor in Council to set the requirements for Tarion bylaws. This is the only home warranty option for new home owners and if the bylaws of Tarion are set by Tarion itself, it clearly sets up a situation which is open to abuse.

One example to provide a reason why this is so important an amendment to pass is that Tarion is essentially the only route if you have a new building or a new condominium or a home that's made and your concern is that the developer didn't do a good job—there was some shoddy work—and you're upset with the developer, and the developer is not going to fix this problem, then you go through Tarion. Tarion is supposed to provide a resolution to this problem.

The first bylaw—bylaw number 1 of Tarion—indicates that half of the board of Tarion has to be made up of home builders. Your concern is that your home is shoddily built and the developer is not willing to fix it. So you go to your Tarion warranty to say, "Let's fix this problem," and the board of this agency, which is supposed to protect you, is made up of the same people; half of them, by bylaw, are not actually addressing your concern.

So inherently this system is flawed. This would allow for at least one way for us to change those bylaws to ensure there is far more protection for consumers. This would benefit condominium owners, certainly, but this would actually benefit all new-home owners in the province of Ontario.

The Vice-Chair (Mr. Peter Z. Milczyn): Further debate and comment? Mr. Ballard.

Mr. Chris Ballard: I appreciate Mr. Singh's comments about Tarion, and the deficiencies that he believes it contains, but speaking to his amendment, my sense is that it is out of order because it indirectly amends sections—or attempts to amend sections—of the Ontario New Home Warranties Plan Act that are not open for amendments. I read it that the motion is beyond the scope

of condo conversions and offences under the Ontario new home warranty program and is frankly irrelevant to the subject matter of the bill, which is about condominiums.

On top of that, I would add that the government is announcing, and in fact has announced this morning, a review of the Ontario new home warranty program legislation, so we'll be most likely looking at a number of these issues. But I think it's outside of the scope of this bill.

The Vice-Chair (Mr. Peter Z. Milczyn): Mr. McDonnell?

Mr. Jim McDonnell: I think we heard numerous times this morning that this ministry would not consider oversight by either the Auditor General or the Ombudsman. Clearly the announcement is different than that, but that was the reason given on five or 10 different amendments this morning that we looked at, that it was not something that the ministry would entertain.

Clearly, while we were down here, the ministry was announcing formally that yes, they are considering extending provincial Auditor General and Ombudsman oversight to Tarion, as an example.

There's a corporation that is very much in people's news. We hear from people every day about the problems with Tarion, the new warranty, and of course—I just wonder, which is it? We hear from the committee here that it's not a possibility; the minister says different.

That was the basis for many decisions made this morning on why we should just move on and not talk about it, because for some reason the government thought oversight over any agency in this ministry was wrong, and I don't think that's the answer the people of Ontario would like to hear.

The Vice-Chair (Mr. Peter Z. Milczyn): Further debate or comment? Mr. Singh?

Mr. Jagmeet Singh: I just wanted to indicate that I would like a recorded vote on this.

The Vice-Chair (Mr. Peter Z. Milczyn): Very well.

Just as a point of clarification: We don't debate rulings of the Chair, but my rulings on those matters were not value judgments; they were simply that they were out of the scope of this bill—that you could not do indirectly what you can't do directly.

Further comment or debate? Mr. Singh has asked for a recorded vote on motion number 97.

Ayes

Barrett, McDonnell, Singh.

Nays

Albanese, Baker, Ballard, Hoggarth, Vernile.

The Vice-Chair (Mr. Peter Z. Milczyn): That does not carry.

Shall schedule 1, section 150 carry? All those in favour? Opposed? That is carried.

There are no amendments proposed to schedule 1, sections 151 through 155, inclusive, so unless there's any objection, I recommend that we deal with them as a block. Seeing no objections, are there any comments or

debate on schedule 1, sections 151 through 155? Seeing no comments, shall schedule 1, sections 151 through 155, inclusive, carry? All those in favour? Opposed? These sections are carried.

That is the entirety of schedule 1. Is there any further debate or comment on schedule 1? Mr. McDonell?

Mr. Jim McDonell: We've gone through a good portion of this bill. To my accounting, there's not been one amendment by either the official opposition or the third party approved. I think that that's a loss for many of the stakeholders who approached us and asked for these changes.

The Vice-Chair (Mr. Peter Z. Milczyn): Further debate or comment? Mr. Singh?

Mr. Jagmeet Singh: I'll just echo Mr. McDonell in that there was a number of amendments brought forward that were reasonable, that were supportable and that were, indeed, requested by stakeholders, and they were not supported. It certainly is a loss for the province.

The Vice-Chair (Mr. Peter Z. Milczyn): Further debate or comment? Seeing none, shall schedule 1, as amended, carry? All those in favour? Opposed? That is carried.

Looking at the time, I would suggest that this is a logical place to stop for the day. I thank the members of the committee and staff for their hard work today.

We will adjourn until Thursday, November 19 at 9 a.m.

The committee adjourned at 1759.

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STANDING COMMITTEE ON FINANCE AND ECONOMIC AFFAIRS

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Research Services

Mr. Michael Wood, legislative counsel



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First Session, 41st Parliament

Official Report of Debates (Hansard)

Thursday 19 November 2015

Standing Committee on Finance and Economic Affairs

Protecting Condominium
Owners Act, 2015

Chair: Soo Wong
Clerk: Katch Koch

Assemblée législative de l'Ontario

Première session, 41^e législature

Journal des débats (Hansard)

Jeudi 19 novembre 2015

Comité permanent des finances et des affaires économiques

Loi de 2015 sur la protection
des propriétaires
de condominiums

Présidente : Soo Wong
Greffier : Katch Koch



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LEGISLATIVE ASSEMBLY OF ONTARIO

ASSEMBLÉE LÉGISLATIVE DE L'ONTARIO

STANDING COMMITTEE ON
FINANCE AND ECONOMIC AFFAIRSCOMITÉ PERMANENT DES FINANCES
ET DES AFFAIRES ÉCONOMIQUES

Thursday 19 November 2015

Jeudi 19 novembre 2015

*The committee met at 0905 in room 151.*PROTECTING CONDOMINIUM
OWNERS ACT, 2015
LOI DE 2015 SUR LA PROTECTION
DES PROPRIÉTAIRES
DE CONDOMINIUMS

Consideration of the following bill:

Bill 106, An Act to amend the Condominium Act, 1998, to enact the Condominium Management Services Act, 2015 and to amend other Acts with respect to condominiums / Projet de loi 106, Loi modifiant la Loi de 1998 sur les condominiums, édictant la Loi de 2015 sur les services de gestion de condominiums et modifiant d'autres lois en ce qui concerne les condominiums.

The Vice-Chair (Mr. Peter Z. Milczyn): Good morning. When the committee adjourned on Thursday, November 5, we had completed schedule 1 of the bill, and this morning we will continue with section 1 of schedule 2 of the bill.

Mr. Jim McDonell: Chair?

The Vice-Chair (Mr. Peter Z. Milczyn): Yes, Mr. McDonell.

Mr. Jim McDonell: Just before we begin, we've been approached by managers who operate on a volunteer basis and who, in any case, are a very small number of units, usually rural or remote. We would like to ask the minister to consult with them and issue any appropriate regulations under paragraph 3, subsection 77(1) of the Condominium Management Services Act. Without those, they may not be able to continue, and I don't think that's really the intent of the bill. We can't really ask for an amendment because of it—it would be, I believe, out of order—but it's something that should be looked at, just so we don't end up getting something we're not looking for.

The Vice-Chair (Mr. Peter Z. Milczyn): Mr. McDonell, you'll pardon me. That might be an excellent point. Was that a point of order? Were you speaking to the approaching amendment—

Mr. Jim McDonell: I'm just asking that that may be run by the ministry, because I think it's an issue.

The Vice-Chair (Mr. Peter Z. Milczyn): I think the minister's staff are sitting there, and they heard your comments.

Mr. Jim McDonell: Okay.

The Vice-Chair (Mr. Peter Z. Milczyn): Proceeding with the clause-by-clause, schedule 2, section 1 of the bill: There are no proposed amendments. Is there any comment or debate? No comment or debate. Shall schedule 2, section 1 be carried? All those in favour? Opposed? That carries.

Schedule 2, section 2: There are no proposed amendments before us. Is there any comment or debate? Yes, Ms. Hoggarth.

Ms. Ann Hoggarth: Didn't we just pass section 2?

The Vice-Chair (Mr. Peter Z. Milczyn): Schedule 2, schedule 1. This is schedule 2, section 2.

Ms. Ann Hoggarth: Okay. Thank you. I think—

The Vice-Chair (Mr. Peter Z. Milczyn): My apologies if I didn't say that clearly.

Right now, we're on schedule 2, section 2. There are no proposed amendments to this section. All those in favour? Opposed? Schedule 2, section 2 carries.

Schedule 2, section 3: There is an amendment from the NDP, number 98. Mr. Singh.

Mr. Jagmeet Singh: Just to clarify, it's 98.1. I think it's an amended version. Do you have that?

The Vice-Chair (Mr. Peter Z. Milczyn): Yes.

Mr. Jagmeet Singh: You pulled 98.

Interjections.

Mr. Jagmeet Singh: Thank you very much. What I'd like to do is withdraw number 98 and proceed with 98.1.

The Vice-Chair (Mr. Peter Z. Milczyn): Very well. Mr. Singh, proceed.

Mr. Jagmeet Singh: I move that section 3 of schedule 2 to the bill be amended by adding the following subsection:

“Compliance with operating principle

“(2.1) The administrative agreement shall require the administrative authority to comply with the principle of promoting the protection of the public interest.”

I can make some comments on that.

The Vice-Chair (Mr. Peter Z. Milczyn): Please.

Mr. Jagmeet Singh: This would be to ensure that in general, the operating principle, the guiding principle, for condominium management should be the protection of public interest. We've seen that without this express operating principle, there have been problems in other organizations. Tarion doesn't have a guiding principle which clearly elucidates that its principles are to protect the consumer, and absent that, we've seen a lot of complaints around Tarion. So to avoid that problem happening here, ensure that as this condominium management

authority is set up, it should be set up with that principle put foremost so that all of the decisions that are made and the direction that it takes should always comply with this principle of promoting the protection of public interest.

The Vice-Chair (Mr. Peter Z. Milczyn): Further debate?

Mr. Chris Ballard: I can recommend voting for the motion as drafted, because I think it addresses the concern that we had with the original motion, which talked about protection of owners. It broadens it and speaks about the protection of all impacted parties. I like that concept of public interest, and I think, for that reason alone, we can support this.

0910

The Vice-Chair (Mr. Peter Z. Milczyn): Any further debate or comment?

Mr. Jagmeet Singh: Mr. Chair?

The Vice-Chair (Mr. Peter Z. Milczyn): Mr. Singh.

Mr. Jagmeet Singh: I just want to say thank you.

The Vice-Chair (Mr. Peter Z. Milczyn): Seeing no further debate or comment, shall amendment 98.1 be carried? All those in favour? Opposed? That carries.

There are no further amendments to schedule 2, section 3. Is there any further debate or comment on this section? No? Shall schedule 2, section 3, as amended, be carried? All those in favour? Opposed? That is carried.

Interjection.

The Chair (Ms. Soo Wong): Okay, we're on schedule 2, section 4. There are no amendments. Any comments, questions or debate? Seeing none, I'm going to call the question. All those in favour? Opposed? Carried.

Schedule 2, section 5: It's government motion number 99. Mr. Ballard, do you want to read the motion into the record?

Mr. Chris Ballard: Sure. Thank you, Chair. I move that section 5 of schedule 2 to the bill be amended by striking out "and the regulations" at the end and substituting "the regulations and other applicable law".

The Chair (Ms. Soo Wong): Any comment or questions? Mr. Singh.

Mr. Jagmeet Singh: Thank you, Madam Chair. I'm just wondering what the explanation for that amendment is.

Mr. Chris Ballard: It's really a simple one. It's about keeping some internal consistency within the act by clarifying that the condo manager licensing authority must comply with all applicable law. That was a technicality, I suppose.

Mr. Jagmeet Singh: Sure. Thank you.

The Chair (Ms. Soo Wong): Any other comment? Seeing none, I'm going to call the question. All those in favour? Opposed? Carried.

Shall schedule 2, section 4, as amended, carry?

Interjection: It's section 5.

The Chair (Ms. Soo Wong): Sorry. Shall schedule 2, section 5, be carried, as amended? All those in favour? Opposed? Carried.

I believe there is a motion here. Mr. Singh, I heard that you're going to move your motion.

Mr. Jagmeet Singh: Yes. My apologies, but I need a five-minute recess to clarify something about this motion. Would that be okay with the members of committee? Maybe even three minutes. I just have to clarify something.

The Chair (Ms. Soo Wong): Yes, I think that's not a problem. Okay. Try to make it three, if you can, because we really want to get this done.

Mr. Jagmeet Singh: Yes, can do.

The Chair (Ms. Soo Wong): So let's say we come back—if I said 9:15—

Mr. Jagmeet Singh: Yes.

The Chair (Ms. Soo Wong): You've got three minutes, okay?

Mr. Jagmeet Singh: Thank you.

The Chair (Ms. Soo Wong): All right.

The committee recessed from 0915 to 0918.

The Chair (Ms. Soo Wong): Now that I see Mr. Singh is back, I'm going to resume the committee.

Mr. Chris Ballard: That was four minutes.

The Chair (Ms. Soo Wong): I know. Okay, we'll be kind and gentle with everybody.

Mr. Singh, can you read your motion into the record, please?

Mr. Jagmeet Singh: I can certainly do that, Madam Chair.

Motion 100: I move that the Condominium Management Services Act, 2015, as set out in schedule 2 to the bill, be amended by adding the following section:

"Oversight by Ombudsman

"5.1 The Ombudsman appointed under the Ombudsman Act shall oversee the administrative authority and accordingly,

"(a) the Ombudsman is deemed to have all the powers necessary for the exercise of the oversight functions; and

"(b) the administrative authority shall co-operate with the Ombudsman fully in the exercise of his or her oversight functions."

The Chair (Ms. Soo Wong): For the committee members, good morning. I'm going to rule the amendment out of order. In my opinion, it is beyond the scope of the bill.

Moving forward, schedule 2, section 5.2: Mr. Singh, I think you have another motion here.

Mr. Jagmeet Singh: This is an additional oversight amendment, similar to the last one.

I move that the Condominium Management Services Act, 2015, as set out in schedule 2 to the bill, be amended by adding the following section:

"Oversight by Integrity Commissioner

"5.2 The Integrity Commissioner appointed under the Members' Integrity Act, 1994 shall oversee the administrative authority and accordingly,

"(a) the Integrity Commissioner deemed to have all the powers necessary for the exercise of the oversight functions; and

"(b) the administrative authority shall co-operate with the Integrity Commissioner fully in the exercise of the oversight functions."

The Chair (Ms. Soo Wong): Okay, similar to my ruling earlier, in my opinion the motion is beyond the scope of the bill, so I will be ruling it out of order.

Schedule 2, section 6: There are no amendments. Are there comments, questions or any debate for that schedule 2, section 6? Mr. Singh.

0920

Mr. Jagmeet Singh: It would have been great to have in this section some legislation that would have addressed the oversight of the condominium authority. Absent any sort of legislation around that, absent any sort of clear provision of that, we will have an authority that provides services to all Ontarians who are condominium owners but that does not have the appropriate level of oversight. So I'd like to put it on the record that we had put amendments—and I don't challenge the Chair's decisions, but I'm saying that in this section, it would have been great to have seen some addition of oversight beyond the condominium authority providing that internally, and having some external sources of oversight would have been nice to see, but it's not present in this bill as it stands.

The Chair (Ms. Soo Wong): Thank you, Mr. Singh. Mr. Ballard.

Mr. Chris Ballard: I certainly heard Mr. Singh's comments. I think our concern is—first and foremost, the bill already permits that the Auditor General is able to conduct an audit of the authority. I think a broader concern is that subjecting the authority to oversight from the Integrity Commissioner may compromise its role as an arm's-length organization.

The Chair (Ms. Soo Wong): Okay. Any other comments or questions? Mr. Singh.

Mr. Jagmeet Singh: I do want to acknowledge the fact that the Auditor General does have oversight ability based on this legislation, so that is a positive step. The only concern with the Auditor General is that's oversight after the fact. That ongoing oversight that the Ombudsman is able to provide, if issues arise, if there are complaints that do arise—the Ombudsman provides a different service. Although the Auditor General provides phenomenal work, it's something that's after the fact as opposed to ongoing. That's why having an ongoing independent oversight mechanism would have been nice to see. But I do acknowledge the fact that there is an Auditor General, which will provide oversight after the fact.

The Chair (Ms. Soo Wong): All right. Any other comments or questions?

I'm going to call the question. Shall schedule 2, section 6 be carried? All those in favour? Opposed? Carried.

I believe we have government motion 102. Ms. McGarry, do you want to read the motion into the record?

Ms. Kathryn McGarry: I move that section 7 of schedule 2 to the bill be amended by striking out "and" at the end of clause (a) and by adding the following clause:

"(c) the administrative authority's constating documents, bylaws and resolutions."

The Chair (Ms. Soo Wong): Great. Are there any comments or questions to this particular motion? Mr. Barrett.

Mr. Toby Barrett: My only comment: We certainly support retaining any final decision-making power within either the Ontario Legislature or within the government.

The Chair (Ms. Soo Wong): Any other comments? Ms. McGarry.

Mrs. Kathryn McGarry: This really is a proposed technical amendment to clarify that the act and the regulations prevail over the administrative authority's constating documents, bylaws and resolutions. So it helps to clarify that the act and regulations will be technically in—

Interjection.

The Chair (Ms. Soo Wong): Okay. Any other comments or questions to this particular motion? I'm going to call the question. All those in favour of the motion? All those opposed? Carried; the amendment is now carried.

Shall schedule 2, section 7, as amended, be carried? All those in favour? Opposed? Carried.

Schedule 2, section 8: There are no amendments. Are there any questions and comments for schedule 2, section 8? Seeing none, I'm going to call the question. All those in favour? Opposed? Carried.

Schedule 2, section 9: There are no amendments. Are there any questions or comments to schedule 2, section 9? Seeing none, I'm calling the question. All those in favour? Opposed? Carried.

I'm on schedule 2, section 10. There are no amendments here. Any questions or comments to schedule 2, section 10? There are no questions or comments. Okay, I'm calling the question. All those in favour? Opposed? Carried.

Ms. Ann Hoggarth: Point of order.

The Chair (Ms. Soo Wong): Yes?

Ms. Ann Hoggarth: Is it possible, when we get to other sections like that, if there are no amendments or anything, that we bundle them?

The Chair (Ms. Soo Wong): We could bundle them. Okay, we can do that.

Ms. Ann Hoggarth: Thank you.

The Chair (Ms. Soo Wong): I'm going to have to get the Clerk to direct me. I believe there is a motion. Am I correct, Mr. Clerk? Okay. Mr. Barrett, do you want to read your motion 103 into the record?

Mr. Toby Barrett: I move that section 11 of schedule 2 to the bill be amended by striking out "the minister" wherever it appears and substituting in each case "the Lieutenant Governor in Council".

The Chair (Ms. Soo Wong): Any debate on this motion? Mr. Barrett.

Mr. Toby Barrett: Just by way of comment, most professions in Ontario are regulated through a body appointed by order in council. This is really an issue of accountability and transparency. We would like to see

this continued within this legislation by ensuring that appointments to the authority are made in public.

The Chair (Ms. Soo Wong): Any other comments? Ms. Fife.

Ms. Catherine Fife: Just to get it on the record, we'll be supporting this motion.

The Chair (Ms. Soo Wong): Okay. Mr. Ballard?

Mr. Chris Ballard: I would recommend voting against the motion. I've got a number of points, but one of the upfront ones is that, really, it would be inconsistent with other Ministry of Government and Consumer Services administrative authorities, which really has been a proven model for efficient and cost-effective service delivery. For that reason alone, I can't support this.

The Chair (Ms. Soo Wong): Any other comment? Ms. Vernile.

Ms. Daiene Vernile: Just to add, Chair, that the model we currently have right now has been consistently supported in the past by both PC and NDP governments.

The Chair (Ms. Soo Wong): All right. Any other comments? I'm going to call the question. All those in favour of the motion? I just want to make sure everybody knows what they're voting for. All those in favour of motion 103? All those opposed? The motion is defeated.

Shall schedule 2, section 11, be carried? All those in favour? All those opposed? Schedule 2, section 11, is carried.

I believe we have motion 104. Mr. Barrett, do you want to read your motion into the record?

Mr. Toby Barrett: I move that section 12 of schedule 2 to the bill be amended by striking out "the minister" at the beginning and substituting "the Lieutenant Governor in Council".

The Chair (Ms. Soo Wong): Okay. Any comments or questions to this particular motion? Mr. Barrett.

Mr. Toby Barrett: Yes, just to comment on this motion, we feel that it should be up to a regulation made by the Lieutenant Governor in Council, not made by the minister, to change the composition of a condo board.

The Chair (Ms. Soo Wong): Okay. Any other comments or questions? Mr. Ballard.

Mr. Chris Ballard: Again, I'd recommend against voting for the motion. It's inconsistent with established Ministry of Government and Consumer Services administrative authorities. Requiring the minister to appoint a minority of the board members and the chair ensures the authority remains at arm's length from government, while still allowing for close government oversight by the responsible ministry.

The Chair (Ms. Soo Wong): Any other comments or questions? Mr. Singh.

Mr. Jagmeet Singh: I think that far too often, we're seeing a growing trend towards too many decisions being made with a regulation. As a trend, this is something that we need to start looking at more closely. If we want to have proper scrutiny of legislation, it requires that those decisions are made as much as possible in legislation, so that all parties can have debate on it.

With respect to this amendment, it is at least one way of addressing this concern, even in the regulation process. I think that for the interests of greater accountability and the greater input that we can derive from all members in this House with respect to bills, the trend towards putting more things outside of the hands of this Legislature needs to be addressed. I think this amendment is a step in that direction.

0930

The Chair (Ms. Soo Wong): Mr. Ballard.

Mr. Chris Ballard: I just wanted to reiterate, really, what a colleague said earlier. It's a model that has been used consistently by both the opposition and the third party when they were in government, so we're just continuing that tradition of using a proven model for efficient and cost-effective service delivery.

Just a further point: Appointments would still be processed through the Public Appointments Secretariat.

The Chair (Ms. Soo Wong): Any other comments or questions? Seeing none, I'm going to call the question on this particular motion. All those in favour of the motion? All those opposed to the motion? The motion is defeated.

Shall schedule 2, section 12 be carried? Any questions and comment? Seeing none, I'm going to call the question. All those in favour of schedule 2, section 12? All those opposed? Schedule 2, section 12 is now carried.

Mr. Barrett, did you want to read your motion, motion number 105, into the record?

Mr. Toby Barrett: I move that section 13 of schedule 2 to the bill be amended by striking out "the minister" at the beginning and substituting "the Lieutenant Governor in Council".

The Chair (Ms. Soo Wong): Any questions or comments? Mr. Barrett.

Mr. Toby Barrett: Again, issues of transparency and accountability—even if cabinet or the minister decide to appoint any public reps to the authority, we feel it should be up to the Lieutenant Governor in Council to appoint a chair.

The Chair (Ms. Soo Wong): Any other questions? Ms. Fife.

Ms. Catherine Fife: Given the fact that the government has already voted against changing it so that the minister doesn't appoint directors or the number of the board of directors, you have to acknowledge that the chair of these committees has a great deal of power. I think that the intent of the motion is to at least bring some impartiality to that appointment. So the NDP will be supporting this.

The Chair (Ms. Soo Wong): Ms. Hoggarth?

Ms. Ann Hoggarth: I think it was stated in the last motion that was defeated. I recommend voting against this motion for the same reasons. It's inconsistent with the established MGCS administrative authorities, which is a proven model for efficient and cost-efficient service delivery. It would require the minister to appoint a minority of the board members and the chair. It ensures that the authority remains at arm's length from the

government, while still allowing for close government oversight by the responsible ministry.

The Chair (Ms. Soo Wong): Any other comments before I call the question? Seeing none, I'm going to call the question on motion 105. All those in favour of motion 105? All those opposed to motion 105? The motion is defeated.

Shall schedule 2, section 13 be carried? All those in favour? Opposed? Carried.

I believe there is one more motion, motion number 106. Mr. Barrett, can you read it into the record?

Mr. Toby Barrett: I think this is—

The Chair (Ms. Soo Wong): Oh, sorry. It's a government motion.

Mr. Toby Barrett: I defer to the members opposite.

The Chair (Ms. Soo Wong): Mr. Ballard, are you going to read it?

Mr. Chris Ballard: I move that section 14 of schedule 2 to the bill be amended by adding the following subsections:

"Access to compensation information

"(2) The administrative authority shall make available to the public the prescribed information relating to the compensation for members of its board of directors or officers or employees of the authority and relating to any other payments that it makes or is required to make to them, and shall do so in the prescribed manner.

"Processes and procedures

"(3) The administrative authority shall follow the prescribed processes and procedures with respect to providing access to the public to records of the authority and with respect to managing personal information contained in those records."

The Chair (Ms. Soo Wong): Any questions or comments to motion 106? Mr. Barrett.

Mr. Toby Barrett: We support this amendment. It is important to let people know how much people are making.

The Chair (Ms. Soo Wong): Any other comments? I'm going to call the question. All those in favour of motion 106? We are unanimous. Thank you.

Shall schedule 2, section 14, as amended, be carried? All those in favour? All those opposed? Carried.

I notice that schedule 2, sections 15 and 16 do not have any amendments. Can I bundle them? Is that good with everybody? Okay. All right. Are there any questions and comments on these two sections? I'm talking about schedule 2, sections 15 and 16. I'm calling the question: All those in favour? All those opposed? Carried.

Mr. Barrett, I believe there's a motion from your side, 107. You want to read it into the record?

Mr. Toby Barrett: I move that schedule 2 to the bill be amended by adding the following section:

"Administrative authority is a public sector body

"16.1 The administrative authority is a public sector body for the purposes of the Ombudsman Act."

Just by way of comment, Chair, we would like—

Interjection.

The Chair (Ms. Soo Wong): No, you know what? The Clerk just advised me. I'm going to be ruling this motion out of order, so therefore there will be no debate. Sorry.

Shall schedule 2, section 16—

Interjection.

The Chair (Ms. Soo Wong): It's a new section now. Sorry, it's all these changes in the amendments. Mr. Barrett, I believe you have another motion before us. Do you want to read that for the record?

Mr. Toby Barrett: This is on page 108?

The Chair (Ms. Soo Wong): Yes, 108.

Mr. Toby Barrett: I move that schedule 2 to the bill be amended by adding the following section:

"Administrative authority is an institution

"16.2 The administrative authority is an institution for the purposes of the Freedom of Information and Protection of Privacy Act."

Again—

The Chair (Ms. Soo Wong): No, no, I'm going to be ruling this motion out of order. There will be no discussion.

I believe we have government motion 109. Mr. Milczyn, you're going to move the motion?

Mr. Peter Z. Milczyn: Yes, Madam Chair. I move that the English version of subsection 17(1) of schedule 2 to the bill be amended by adding "or" after "the regulations".

The Chair (Ms. Soo Wong): Any questions or comments on this particular motion, 109? Seeing none, I'm going to call the question. All those in favour of the motion? All those opposed? Carried.

Shall schedule 2, section 17, as amended, be carried? All those in favour? Opposed? Carried.

I believe I'm on schedule 2, sections 18, 19, all the way down to 33. Can I bundle all of them? Okay. I'm going to call the question. I'm going to check: Are there any questions and comments on sections 19 through 33 before I call the question—

Mr. Chris Ballard: Sections 18 through 33.

The Chair (Ms. Soo Wong): Section 18, sorry. I'm just going to go back. Are there any questions and comments on schedule 2, sections 18 through 33? Are there any questions and comments? Seeing none, all those in favour of these sections? All those opposed? Carried.

I believe we have motion 110, a government motion. Who's going to read it into the record? Ms. Vernile.

Ms. Daïene Vernile: I move that subsection 34(3) of schedule 2 to the bill be struck out and the following substituted:

"Licence a requirement to bring action

"(3) Except as otherwise prescribed, no action, application, arbitration or other legal proceeding shall be commenced for remuneration for services in connection with providing condominium management services unless, at the time of providing the services, the person bringing the proceeding was licensed or exempt from licensing under this act and the proceeding may be stayed upon motion."

“Exception

“(3.1) Subsection (3) does not affect,

“(a) any right of an employee, within the meaning of the Employment Standards Act, 2000 or a successor act to it, to commence an action, application, arbitration or other legal proceeding for the recovery of wages or the enforcement of other rights provided under an employment contract, the common law or other legislation; or

“(b) any right to commence an action, application, arbitration or other legal proceeding for the recovery of wages or the enforcement of other rights provided under a collective agreement.”

And I’m going to recommend that we vote in favour of this motion.

The Chair (Ms. Soo Wong): Any comments or questions to the motion? We’re dealing with motion 110. I’m going to call the question. All those in favour of the motion? All those opposed? Okay, we’ve got unanimous consent. Great.

0940

Shall schedule 2, section 34, as amended, be carried? All those in favour? Opposed? Carried.

There are no amendments for sections 35 and 36. Can I bundle those two sections? Okay. Any questions and comments for schedule 2, sections 35 and 36? Seeing none, all those in favour? All those opposed? Carried.

Mr. Barrett, there are two motions for your side. Do you want to read those into the record?

Mr. Toby Barrett: Yes, committee page 111.

The Chair (Ms. Soo Wong): Yes.

Mr. Toby Barrett: I move that subsection 37(1) of schedule 2 to the bill be amended by adding the following clause:

“(c.1) within the previous 10 years, the applicant has been convicted of an offence under this act, the Condominium Act, 1998 or the Criminal Code (Canada) or has been subject to an order made under section 135 of the Condominium Act, 1998;”

Again, we feel that they shouldn’t have a licence if they have a recent criminal conviction, or if they have a conviction under the condo act.

The Chair (Ms. Soo Wong): Any other comments? Ms. Fife.

Ms. Catherine Fife: We won’t be supporting this motion. We feel it goes too far. It’s too draconian.

The Chair (Ms. Soo Wong): Okay. Mr. Ballard?

Mr. Chris Ballard: Chair, I echo the third party’s comments. Really, the registrar is already given the discretion to determine whether the past conduct of the applicant disqualifies them from obtaining a licence. The bill was drafted to require that past conduct be considered but to allow the registrar to take into account individual circumstances. I know that other Ministry of Government and Consumer Services licensing regimes allow the registrar to make an individualized assessment of the applicant’s past conduct. So for those reasons, I recommend voting against the motion.

The Chair (Ms. Soo Wong): Any other comments to motion 111? Seeing none, I’m going to call the question.

All those in favour of motion 111? All those opposed to motion 111? The motion is defeated.

Mr. Barrett, do you want to read motion 112?

Mr. Toby Barrett: I move that subsection 37(1) of schedule 2 to the bill be amended by adding the following clause:

“(c.2) the applicant has been convicted of a prescribed offence under the Criminal Code (Canada);”

The Chair (Ms. Soo Wong): Any questions and comments to motion 112? Ms. McGarry.

Mrs. Kathryn McGarry: As we discussed in the previous motion, I’m going to be recommending voting against the motion, because the registrar, again, has been given the discretion to determine whether the past conduct of any applicant disqualifies them from obtaining a licence. The bill was drafted to require that the past conduct be considered, but allows the registrar to take into account individual circumstances.

The Chair (Ms. Soo Wong): Any other comments and questions? Mr. Barrett.

Mr. Toby Barrett: Just by way of explanation, with this motion, we would leave it in the hands of the minister to prescribe which offences, if any, would bar a person from holding a manager’s licence. I’m thinking of things like fraud, forgery, theft, things like that.

The Chair (Ms. Soo Wong): Okay. Ms. Fife?

Ms. Catherine Fife: We won’t be supporting this, and we wouldn’t want any of this power left with the minister as it is, because that would be, again, inconsistent.

The Chair (Ms. Soo Wong): Ms. McGarry.

Mrs. Kathryn McGarry: Just a final comment, Chair. The registrar has the authority to conduct a criminal record check and use his or her discretion to determine whether past conduct disqualifies an applicant.

The Chair (Ms. Soo Wong): Okay. I’m going to call the question. All those in favour of motion 112? All those opposed to motion 112? The motion is defeated.

Shall schedule 2, section 37, be carried? Any comments? Questions? Seeing none, I’m going to call the question. Shall schedule 2, section 37, carry? All those opposed? It’s carried.

Mr. Barrett, do you want to read motion 113 into the record?

Mr. Toby Barrett: I move that section 38 of schedule 2 to the bill be amended by adding the following subsection:

“Condition of licence

“(1.1) It is a condition of a licence that the licensee not be convicted of an offence under this act, the Condominium Act, 1998 or the Criminal Code (Canada) or be subject to an order made under section 135 of the Condominium Act, 1998 while the licensee holds the licence.”

It just continues the same line of reasoning. We feel they should lose their licence.

The Chair (Ms. Soo Wong): Okay. Ms. Hoggarth?

Ms. Ann Hoggarth: I’m going to recommend voting against this because this bill was drafted to require that past conduct be considered, but allows the registrar to take into account individual circumstances. Restrictions

that don't account for individual circumstances may unfairly deprive an individual from pursuing their chosen career. I recommend you vote against this.

The Chair (Ms. Soo Wong): Any other comments or questions to this motion, 113? Seeing none, I'm going to call the question. All those in favour of motion 113? All those opposed to the motion? The motion is defeated.

Mr. Barrett, do you want to read motion 114 into the record?

Mr. Toby Barrett: I move that section 38 of schedule 2 to the bill be amended by adding the following subsection:

"Condition of licence

"(1.1) It is a condition of a licence that the licensee not be convicted of a prescribed offence under the Criminal Code (Canada) while the licensee holds the licence."

This is yet another try.

The Chair (Ms. Soo Wong): All right. Any other comments? Mr. Milczyn.

Mr. Peter Z. Milczyn: For similar reasons as we've discussed on the previous amendments, the registrar already has discretion to review the circumstances of an individual licensee. This is simply too draconian.

The Chair (Ms. Soo Wong): Any other comments or questions to motion 114? Seeing none, I'm going to call the question. All those in favour of motion 114? All those opposed to motion 114? The motion is defeated.

Shall schedule 2, section 38 be carried? Any comments or questions? Seeing none, I'm going to call the question. Shall schedule 2, section 38 be carried? The motion is carried.

I notice that schedule 2, sections 39 through 40—can I bundle those two sections together for the vote?

Shall schedule 2, sections 39 and 40, be carried? All those in favour? All those opposed? Carried.

I believe there is a government motion, 115. Who is going to read the motion into the record? Mr. Ballard.

Mr. Chris Ballard: I move that the French version of subsection 41(11) of schedule 2 to the bill be struck out and the following—oh, boy. Okay. You know what—

The Chair (Ms. Soo Wong): Daiene will read it.

Mr. Chris Ballard: Because we want it read accurately, so that shouldn't be me.

The Chair (Ms. Soo Wong): Ms. Vernile?

Ms. Daiene Vernile: I move that the French version of subsection 41(11) of schedule 2 to the bill be struck out and the following substituted:

"Annulation volontaire

"(11) Le registraire peut annuler un permis à la demande écrite de son titulaire. Dans ce cas, le présent article ne s'applique pas à l'annulation."

The Chair (Ms. Soo Wong): Any comments or questions to motion 115? Seeing none, I'm going to call the question. All those in favour of the motion? All those opposed? The motion is carried.

Shall schedule 2, section 41, as amended, be carried? All those in favour? All those opposed? Carried.

I see that schedule 2 until section 52—right, Mr. Clerk—has no motions. Can I bundle them all together?

I'm going to check: Are there any questions and comments to these sections before I call the question? Seeing none, shall schedule 2, sections 42 through 52, be carried? All those in favour? Opposed? Carried.

I believe we have motion 116. Mr. Barrett, do you want to read that motion—

Interjection.

The Chair (Ms. Soo Wong): Oh, sorry, motion 115.1. Do you want to read that into the record?

Mr. Toby Barrett: I move that schedule 2 to the bill be amended by adding the following section:

"Prohibition re: proxy instruments

"52.1 A licensee, or any person acting on behalf of a licensee, shall not solicit an instrument appointing a proxy for a meeting of owners where the subject matter of the meeting includes,

"(a) any matter directly related to the licensee;

"(b) the removal or the election of one or more of the directors of the client; or

"(c) any other prescribed matter."

0950

The Chair (Ms. Soo Wong): Any comments or questions to this particular motion? Mr. Barrett.

Mr. Toby Barrett: I just want to mention that we have consulted with the government, and we moved this amendment instead of 117, just to let people know that.

The Chair (Ms. Soo Wong): The Clerk's going to give me some direction.

Interjection.

Mr. Toby Barrett: Oh, 116; sorry.

The Chair (Ms. Soo Wong): Mr. Ballard?

Mr. Chris Ballard: I would obviously recommend voting for this. It addresses concerns that have been raised involving condo managers having unfair influence on subjects in which they have a vested interest as well.

I acknowledge that we worked with the opposition and legislative counsel to determine wording that is specific and only prevents managers from soliciting proxies in these specific cases.

I think it allows for more flexibility so that certain condo corporations can continue to rely on condo managers to perform certain administrative functions where reviewing or collecting proxies may be necessary.

The Chair (Ms. Soo Wong): Ms. Fife?

Ms. Catherine Fife: We'll be supporting this as well. We heard very clearly from delegations that this was a concern. We feel strongly that managers should not be involving themselves with proxies.

The Chair (Ms. Soo Wong): Any other comments to motion 115.1? Seeing none, I'm going to call the question. All those in favour of motion 115.1? All those opposed? Carried.

Motion 116: Legislative counsel is going to have a word.

Mr. Michael Wood: Given that the committee has now passed a motion to insert a new section in the bill, I wonder if we could pass a general motion to authorize the Office of Legislative Counsel to update any cross-references that are necessary.

I notice, for instance, in section 41, there is a reference to section 72, which will no longer be section 72 as a result of the renumbering that takes place with the insertion of the new motion.

The Chair (Ms. Soo Wong): Are there any questions and comments? Ms. Fife.

Ms. Catherine Fife: Just a point of clarification: You're looking for a motion to move—what exactly are you asking for?

Mr. Michael Wood: Perhaps the Chair and the Clerk can advise me what vehicle is necessary to do this, but I need the authorization of the committee to update any cross-references as a result of the insertion of the new section.

Ms. Catherine Fife: So this is basically so that you can do your job, really.

Mr. Michael Wood: Yes.

Ms. Catherine Fife: Okay. That's fine.

The Chair (Ms. Soo Wong): Do we have unanimous consent? Yes. Okay, you've got the direction now.

Mr. Michael Wood: Thank you.

The Chair (Ms. Soo Wong): Mr. Barrett, do you want to talk about motion 116?

Mr. Toby Barrett: I think, as we understand it, that is withdrawn.

The Chair (Ms. Soo Wong): I just want it on record: Motion 116 has been withdrawn.

I'm going to go back now. Shall schedule 2, section 53, as amended, be carried? Are there any questions and comments with regard to—

Interjection.

The Chair (Ms. Soo Wong): I'm sorry. The Clerk just advised me that there is motion 116.1. Mr. Barrett, do you want to read that particular motion into the record?

Mr. Toby Barrett: I move that subsection 53(1) of schedule 2 to the bill be struck out and the following substituted:

“Duty re records

“(1) Subject to the regulations and subsection (1.1), every licensee that provides condominium management services to a client shall immediately transfer to the client all documents and records relating to the client upon termination of any contract for the condominium management services provided.

“Copies

“(1.1) Subject to the regulations, a licensee may make and retain a copy of a document or record mentioned in subsection (1) if the licensee requires the copy for purposes relating to the contract or such other purposes as are prescribed.”

I'll just check with the Clerk. As a result of this, I think we withdraw 117. Is that correct?

The Chair (Ms. Soo Wong): Why don't we stay focused on this particular motion first, Mr. Barrett.

Mr. Toby Barrett: You want us to do it in order? Yes.

The Chair (Ms. Soo Wong): Are there any questions and comments to motion 116.1? Ms. Fife.

Ms. Catherine Fife: Just a question for Mr. Barrett: What's the motivation behind this? I want to know more of the rationale.

Mr. Toby Barrett: We consulted with the government, and I'm just going to read this because I didn't write this. It highlights an obligation to transfer all records immediately that may prevent the manager from fulfilling filing and financial obligations arising from the contract. This was highlighted by ACMO; I can't remember what that is.

The Chair (Ms. Soo Wong): Mr. Ballard.

Mr. Chris Ballard: We can certainly support this motion. The current act doesn't prevent condominium managers from making copies of client records, but we certainly heard from stakeholders that they wanted the legislation to specifically outline their ability to do so. The motion would amend the legislation to ensure condo managers have the ability to make copies of records in order to fulfil contractual obligations or for other prescribed purposes. Specifically, we support that this motion states that managers can retain copies of records for prescribed purposes as this will allow the government to properly consult and create regulations as to when condo managers may need to retain copies of the records.

As I said at the beginning, we understand this is a concern brought forward by ACMO, and we've worked with the opposition to ensure that the motion is worded in a way that will address the needs of condo managers.

The Chair (Ms. Soo Wong): Any other comments and questions to motion 116.1? I'm going to call the question. All those in favour of motion 116.1? All those opposed? The motion is carried.

Shall schedule 2, section 53, as amended, be carried? Any questions and comments? All those in favour? Opposed? Carried.

I'm now on motion 117. Mr. Barrett—or Mr. McDonell.

Mr. Jim McDonell: That's being withdrawn.

The Chair (Ms. Soo Wong): It's being withdrawn. Okay. Motion 117 has been withdrawn. I just want everybody to know.

There's no motion for this particular section. Any questions and comments—

Interjection.

The Chair (Ms. Soo Wong): New section, okay. There have been a lot of changes.

We're now on sections 54 to 66. There are no motions, so can I bundle them in terms of votes?

Any questions and comments on schedule 2, sections 54 through 66? Seeing none, all those in favour of these sections? All those opposed? Carried.

We're now on motion 118. Mr. McDonell, do you want to read it into the record?

Mr. Jim McDonell: I move that section 67 of schedule 2 to the bill be amended by adding the following subsection:

“Same

“(5) A person or entity that is convicted of an offence under this act is not eligible, for a period of 10 years from

the date of conviction, to hold a position on the condominium corporation's board of directors."

The Chair (Ms. Soo Wong): Ms. Fife.

Ms. Catherine Fife: We'll be supporting this. This just makes sense.

The Chair (Ms. Soo Wong): Any other comments? Ms. Vernile.

Ms. Daiene Vernile: I'm going to suggest that this motion is likely out of order because director qualifications are subject to the Condominium Act and not the Condominium Management Services Act. We're going to be voting against this.

The Chair (Ms. Soo Wong): Ms. Fife.

Ms. Catherine Fife: I would say that it's not out of order. This is an opportunity to modernize the Condominium Management Services Act, 2015, and to amend other acts with respect to condominiums, so this is the opportunity to actually make legislation stronger. That's why we're here.

The Chair (Ms. Soo Wong): Mr. McDonell.

Mr. Jim McDonell: We just think that we did a lot of consultation and we heard from people. There's that stigma, if nothing else, about the condominium board not looking after or being there for the owners of the units. If you've got somebody who's in contravention of the law, why should he be back in the same place where he broke the law, basically?

1000

The Chair (Ms. Soo Wong): Any other comments, questions?

Ms. Daiene Vernile: Again the concern is, if this motion were to include minor contraventions, it could be very potentially punitive.

The Chair (Ms. Soo Wong): Any other comments before I call the question? So I'm going to call the question to motion 118. All those in favour of motion 118? All those opposed to motion 118? The motion is defeated.

I believe we have motion 119. Mr. McDonell, do you want to read it into the record?

Mr. Jim McDonell: Yes. I just want to first of all point out there's a typo in it.

The Chair (Ms. Soo Wong): There's a typo. Okay.

Mr. Jim McDonell: "Is not eligible" should be struck out, but I'll read it without it. It doesn't read right if you look at it as well.

Mr. Toby Barrett: We sent a note to the Clerk just a few minutes ago.

The Chair (Ms. Soo Wong): Okay. Can you read the new version?

Mr. Jim McDonell: I move that section 67 of schedule 2 to the bill be amended by adding the following subsection:

"Same

"(6) A person or entity that is convicted of an offence under this act shall not provide condominium management services for a period of 10 years from the date of conviction."

We just took out "is not eligible."

The Chair (Ms. Soo Wong): Okay. Any comments, questions to motion 119?

Mr. Peter Z. Milczyn: Similar to comments on other motions that were in the same vein, the registrar is already going to have discretion to determine whether a potential licensee should be allowed to be a licence holder, and this is overly punitive.

The Chair (Ms. Soo Wong): Any other comments?

Mr. Jim McDonell: Breaking the law should have consequences. The act is a new act; it's got a lot of, I would hope, good new legislation. If you can't follow it and you deliberately—if you contravene it for any reason, then really, should you be charged with following through with the act in the future?

The Chair (Ms. Soo Wong): Okay. Ms. Fife?

Ms. Catherine Fife: It's interesting that the government just voted and said that condo managers who are convicted of a criminal offence can then serve on a condo board. We heard through delegations that condo boards have an immense amount of power over the tenants. I guess this is another one of those contradictions that we're seeing throughout this process.

The Chair (Ms. Soo Wong): Any other comments to this particular motion?

Mrs. Kathryn McGarry: Just a final comment, Chair: Just that criminal records could already help inform these determinations. Restrictions that don't account for individual circumstances may unfairly deprive an individual from pursuing their chosen career.

The Chair (Ms. Soo Wong): Okay. I'm going to call the question to motion 119. All those in favour of motion 119? All those opposed to motion 119? The motion is defeated.

Shall schedule 2, section 67 be carried? All those in favour? Opposed? Carried.

I believe that in schedule 2, sections 68 through 76, there are no motions. Can I bundle them? Okay. Are there any questions or comments to these sections? Seeing none, I'm going to call the question. Shall schedule 2, sections 68 through 76, be carried? All those in favour? All those opposed? Carried.

We are on section 77. There's a government motion before us. Ms. Hoggarth, do you want to read it into the record?

Ms. Ann Hoggarth: I move that paragraphs 4 and 5 of subsection 77(1) of schedule 2 to the bill be struck out.

The Chair (Ms. Soo Wong): Any comments or questions to motion 120?

Mr. Chris Ballard: Just for the record, it's really a technical amendment to support the proposed amendments in motion 106.

The Chair (Ms. Soo Wong): Okay. Any other comments and questions? Seeing none, all those in favour of motion 120? All those opposed to the motion? The motion carries.

I believe there is motion 121. Mr. McDonell, do you want to read it into the record?

Mr. Jim McDonell: Sure.

Interjections.

The Chair (Ms. Soo Wong): It's motion 121. I have motion 121. Mr. McDonell?

Mr. Jim McDonell: There's an extra on the desk.

I move that subsection 77(1) of schedule 2 to the bill be amended by adding the following paragraph:

"20.1 governing the making and retaining of copies of documents and records by a licensee under subsection 53(1.1), including,

"i. specifying conditions that apply to the making of the copies,

"ii. specifying the time period during which the licensee is authorized to retain the copies, and

"iii. requiring the licensee to return the copies to the client or to destroy the copies after the expiry of the time period mentioned in subparagraph ii and governing the disposition of the copies under this subparagraph;"

The Chair (Ms. Soo Wong): Any comments and questions to motion 121? Mr. Ballard.

Mr. Chris Ballard: I would recommend voting for the motion. It complements motion 116.1 by ensuring that condo managers have the ability to make copies of records in certain cases—

Interjection.

Mr. Chris Ballard: Whoops. Am I on the wrong one?

Ms. Daiene Vernile: No.

Mr. Chris Ballard: We appreciate the policy concerns brought forward by ACMO. We're pleased that the motion clarifies the government's regulation-making authority to specify conditions where a condominium manager can make and retain copies.

I think it's important that the government set specific timelines and conditions under which managers can retain copies of records, and support that this motion allows the government to do so.

The Chair (Ms. Soo Wong): Any other comments and questions? Mr. McDonell.

Mr. Jim McDonell: Yes, just in line with that, if a condo manager is allowed to make and keep certain records, there should be corresponding regulation as to when and how these should be kept.

The Chair (Ms. Soo Wong): Any other comments and questions to motion 121? I'm going to call the question. All those in favour of motion 121? All those opposed? The motion is now carried.

Shall schedule 2, section 77, as amended, be carried? I'm calling the question. Shall schedule 2, section 77, as amended, be carried? All those in favour? Opposed? Carried.

There are no motions from sections 78 through 83, so I'm going to bundle them. Any questions and comment to these sections? Seeing none, shall schedule 2, sections 78 through 83, be carried? All those in favour? Opposed? Carried.

The last part of this vote for the schedule: Shall schedule 2, as amended, be carried? All those in favour? Opposed? Carried.

Shall schedule 1 be carried—

Interjections.

The Chair (Ms. Soo Wong): Shall section 1 of the bill be carried? Any debate? All those in favour of section 1? All those opposed? Carried.

Shall section 2 be carried? Any debate? None. Shall section 2 be carried? All those in favour? Opposed? Carried.

Section 3: Any questions or comments? Seeing none, shall section 3 be carried? All those in favour? Opposed? Carried.

Shall the title of the bill be carried? All those in favour? Opposed? Carried.

Shall Bill 106, as amended, be carried? All those in favour? Opposed? Carried.

Shall I report the bill, as amended, to the House? All those in favour? Opposed? Carried.

All right, so we're done with Bill 106.

Now I want to see what the committee is in favour of. We have six minutes—right, Mr. Clerk? We have some committee business. If we don't do the committee business now, we'll have to come back at 2 o'clock, because we have some discussions dealing with pre-budget consultations. Mr. Ballard?

1010

Mr. Chris Ballard: I would suggest we adjourn to 2 o'clock.

The Chair (Ms. Soo Wong): Okay. Ms. Fife?

Ms. Catherine Fife: I thought that we could deal with this right now. This is housekeeping.

The Chair (Ms. Soo Wong): Okay. Is there enough time? We have five minutes. I'm just giving a heads-up.

Mr. Toby Barrett: Let's do this.

Ms. Catherine Fife: Let's do this.

The Chair (Ms. Soo Wong): So what is the will of the committee? We have five minutes because I have to recess the committee at 10:15. Does everybody know?

Mr. Chris Ballard: Recess to 2 o'clock.

The Chair (Ms. Soo Wong): Recess, okay. Ms. Fife?

Ms. Catherine Fife: Madam Chair, your email was very clear. As soon as clause-by-clause is done, we can actually have this conversation about setting budget dates and times and schedules, and there is some urgency, obviously. So let's just deal with it right now.

Mr. Victor Fedeli: I agree.

Mr. Toby Barrett: That's why we're all here.

The Chair (Ms. Soo Wong): Mr. Ballard?

Mr. Chris Ballard: Chair, I want to clarify. I would suggest that it's going to require more than five minutes.

Ms. Daiene Vernile: We'll just get started on our conversation, then we'll just have to stop.

The Chair (Ms. Soo Wong): Okay. I have no problem to start for five minutes and then we're going to have to recess until 2 o'clock. All right, I can start. I'm ready to start. We have five minutes and then we have to recess until 2 o'clock.

I just want to give everybody some context why there is a committee of the whole. Usually, this kind of discussion is done through subcommittee, but we had no consensus when we had a subcommittee meeting. There is an urgency because—we heard it from the staff—in

order for the Clerk and his staff to organize the 2016 pre-budget consultations, the staff needs some direction from the committee. I just want it to be on record for that purpose.

All right, so we're going to start the discussion right now. Unfortunately, time is of the essence. We need some direction from the committee in terms of the dates—how many dates of pre-budget consultations for 2016—and the timeline of our pre-budget consultation. Let's begin the discussion. Can someone begin the discussion?

Ms. Catherine Fife: Just for context, in the subcommittee, both the PC and the NDP caucus felt that there were additional dates that were needed, basically as a follow-up to the Financial Accountability Officer's report, which indicates that the revenue from the province is actually going to be very challenged going forward and that program spending is going to have to be cut. That was the game-changer.

I would say that we did have consensus earlier, but the game-changer for us is the Financial Accountability Officer report. All House leaders had these additional 14 days. Your House leader and our House leader had a conversation. It was our responsibility to bring it to the subcommittee.

We are proposing 14 dates over four weeks. The only significant change was how witnesses appear before the committee. We thought it would make sense for all parties to at least be able to ask a question of the delegations. We were proposing 19 minutes, 10 minutes for presentations and then three minutes per party for questions, because I think that this is going to be a very difficult budget process for everyone. We wanted to be more inclusive of the process.

It's true that we didn't have consensus at the subcommittee, but two thirds of the parties at least think that this warrants a conversation here at committee.

The Chair (Ms. Soo Wong): Okay. I hear Ms. Fife proposing 14 days. Can you specifically tell us, the committee, which 14 days we're talking about?

Ms. Catherine Fife: I guess we are asking that the committee hold pre-budget consultations in Thunder Bay, Sault Ste. Marie, Sudbury, Ottawa, Windsor, Sarnia, London, Niagara Falls, Hamilton, Oshawa, Kingston and two days in Toronto, between the dates of January 11 and February 5, and that the Chair, on behalf of the committee, request the House leaders to authorize the committee to meet up to 13 days during the winter adjournment for the purpose of pre-budget consultations.

I can give you this in writing, if you wish.

The Chair (Ms. Soo Wong): I believe the committee does not have a copy of this, so we're going to need staff to get a copy. The subcommittee—

Mr. Chris Ballard: Chair?

The Chair (Ms. Soo Wong): Yes, Mr. Ballard.

Mr. Chris Ballard: I just wanted to go on the record to say that there was no House leader agreement.

Ms. Catherine Fife: I didn't say there was agreement. I said House leaders had a copy of this, so it didn't come

as a surprise to the government that we were proposing this.

Mr. Chris Ballard: I heard you say that there was agreement. There was no agreement.

Ms. Catherine Fife: No, I said there was no consensus, so that's why I came to committee—

The Chair (Ms. Soo Wong): Seeing that the committee as a whole does not have a copy of this report that Ms. Fife just read, we have to make sure that the staff have time to make copies for everybody.

It's after 10:15. I'm going to have to recess the committee and come back at 2 o'clock to discuss this. I'm going to recess the committee to 2 o'clock.

Mr. Victor Fedeli: So we're getting the—

The Chair (Ms. Soo Wong): Yes, this afternoon.

The committee recessed from 1015 to 1401.

COMMITTEE BUSINESS

The Chair (Ms. Soo Wong): I'm going to resume the Standing Committee on Finance and Economic Affairs. I believe that, on your desks, there is a sheet of paper the Clerk left for all of us. Is somebody going to move this, or is there any discussion about this particular piece? There's no agenda per se.

Mr. Jagmeet Singh: Yes, sorry. I can move this.

Mr. Victor Fedeli: A few of us weren't paying attention.

The Chair (Ms. Soo Wong): I'm just waiting. Mr. Singh?

Mr. Jagmeet Singh: I can move this, most certainly, with great honour. Do I need to read this into the record?

The Chair (Ms. Soo Wong): Yes, you have to read it into the record.

Mr. Jagmeet Singh: I will certainly do so, then, Madam Chair.

I move the following motion:

(1) That the committee hold pre-budget consultations in Thunder Bay, Kenora, Sault St. Marie, Sudbury, Ottawa, Windsor, Sarnia, London, Niagara Falls, Hamilton, Oshawa, Kingston and two days in Toronto between January 11 and February 5, 2016.

(2) That the Chair, on behalf of the committee, request the House leaders to authorize the committee to meet for up to 14 days during the winter adjournment for the purpose of pre-budget consultations.

(3) That the Clerk of the Committee, with the authorization of the Chair, post information regarding the pre-budget consultations on the Ontario parliamentary channel, on the Legislative Assembly website and with Canada NewsWire.

(4) That the Clerk of the Committee, with the authorization of the Chair, place an advertisement in a major newspaper for one day in each of the cities where the committee intends to hold pre-budget consultations, and that the advertisements be placed in both English and French papers where possible.

(5) That interested people who wish to be considered to appear before the committee contact the Clerk of the

Committee by 12 noon on Wednesday, December 16, 2015.

(6) That following the deadline for requests, the Clerk of the Committee provide the subcommittee members with an electronic list of all potential witnesses who have requested to appear before the committee.

(7) That, if all requests to appear cannot be accommodated in any given location, each of the subcommittee members supply the Clerk of the Committee with a prioritized list of witnesses chosen from the Clerk's list and that the scheduling be done in the order of the government, the official opposition and the third party.

(8) That, if all requests to appear can be accommodated in any given location, the Clerk of the Committee, in consultation with the Chair, be authorized to schedule the witnesses.

(9) That late requests to appear may be considered, space permitting.

(10) That witnesses be offered a total of 19 minutes, 10 minutes for presentations and nine minutes for questioning split between the three recognized parties.

(11) That the deadline for written submissions be 5 p.m. on Friday, February 5, 2016.

(12) That the research officer provide the committee with a summary of the oral and written submissions by Friday, February 12, 2016, and a draft report by Monday, February 22, 2016.

(13) That, with the exception of procedural motions during public hearings, the committee consider all other motions during report-writing.

(14) That the committee authorize one staff person from each recognized party to travel with the committee, space permitting, for the purpose of pre-budget consultations and that reasonable expenses incurred for travel, accommodation and meals be paid for by the committee upon receipt of a properly filed expense claim.

(15) That the Clerk of the Committee, in consultation with the Chair, be authorized prior to the adoption of the report of the subcommittee to commence making any preliminary arrangements to facilitate the committee's proceeding.

The Chair (Ms. Soo Wong): Any questions or comments on the motion moved by Mr. Singh?

Mr. Singh, do you want to start the discussion?

Mr. Jagmeet Singh: I'll just provide a little bit of background for it. The main concern here is that we want to ensure that for the pre-budget, we have a very whole-some consultation process which travels the committee around the province and adequately hears from all parts of this province, with respect to the north, the south, the GTA, and that all of the regions have an opportunity to provide their input.

In addition, the timing that has been suggested allows for presentations—so that people can present their ideas, but, in addition, so the members of the committee can ask questions with respect to details of their presentation or any other question they may have. That is why it is being moved as discussed.

The Chair (Ms. Soo Wong): Mr. Fedeli?

Mr. Victor Fedeli: We support this. A lot has changed since we saw the Financial Accountability Officer's report. I think it raised alarm bells, and I think there's serious debate that needs to be held. I have received a tremendous amount of interest in my office from nurses, from doctors, from people who are concerned about their energy bills.

I support this, our party supports this, knowing that there will be far more cities, which will allow far more people to attend. The amount of time that is devoted, I think, is far more appropriate than some of the timing issues that we've had in the past.

The Chair (Ms. Soo Wong): Mr. Baker.

Mr. Yvan Baker: I want to suggest that we keep—and I'm referring to the draft report that was circulated; in paragraph 1, where we have a number of consultations proposed. To me, that seems adequate. I don't see the need to add additional consultations. It's consistent with what has been done in the past and allows us to travel all parts of the province and hear from folks across the province on these issues.

I would also say that the FAO report, to my mind, doesn't really change anything. The second FAO report signalled that the government is on track in terms of its fiscal management, and that it's on track to balance the budget by 2017-18, and that its approach is strong and very reasonable. As far as the report on Hydro One, the FAO's report confirms the government's valuation of Hydro One.

So in my view, there's not much that has changed, and I don't see why we would need to add additional dates.

The Chair (Ms. Soo Wong): Mr. Baker, I think you're reading from the previous note that we circulated around two weeks ago—the subcommittee's original report that was circulated to the committee. I believe you're reading from that one and not today's. Am I correct?

Mr. Yvan Baker: I'm reading from the draft report of the subcommittee. That's right.

The Chair (Ms. Soo Wong): I just want to make sure that people understand, if there's some confusion, because Mr. Singh just moved his motion, and you're talking about a motion of the subcommittee.

Mr. Yvan Baker: Correct.

The Chair (Ms. Soo Wong): Any other comments or questions with regard to the motion before us? Mr. McDonell.

Mr. Jim McDonell: My riding has been left off this sheet, but I know that people in Ontario will want to get a chance to talk about some of the issues.

1410

The member opposite was talking about the Financial Accountability Officer's report not changing anything. I would hope that it would change something. I would hope that there was information in it that they weren't aware of. If they were, it really questions where this government is going with their budgeting. He clearly shows that there are lots of questions.

I know that in my riding, people come up every day, upset with different issues and wanting to know why

certain health care services are being cut, why programs aren't there for autism or Community Living programs. I think there's a lot out there. People want to get a chance to show why some of these programs should be funded.

The Chair (Ms. Soo Wong): Any other comments? Mr. Baker, then Mr. Ballard.

Mr. Yvan Baker: I think the issue is around—you named a number of issues, health care and others. These are all important issues to people across Ontario. Of course, that's the case, and I agree that they're important. I do think, though, that the amount of consultation—I'm referring back to the draft reported to the subcommittee as the basis here—would be appropriate to cover those important issues that you're talking about.

The Chair (Ms. Soo Wong): Mr. Ballard.

Mr. Chris Ballard: I agree with my colleague. When it comes to the FAO's report, I think we're being asked to head out on a fishing expedition, quite frankly. I look at the number, the breadth and the depth and the geography of the communities that this group will be visiting, and it looks to me that east, west, north and south are well represented. People in those communities and surrounding communities will be able to make appropriate comment. I really don't see any need to expand.

The Chair (Ms. Soo Wong): Are you making references to the subcommittee report, Mr. Ballard?

Mr. Chris Ballard: Yes, sorry.

The Chair (Ms. Soo Wong): I just—clarification. There are so many reports going on.

Mr. Fedeli.

Mr. Victor Fedeli: I appreciate your clarification because when he talked about the north, south, east and west being so well represented, I of course presumed he was referring to the report that we're dealing with, and I was very encouraged to hear that.

I'm not encouraged now to learn that he's referring to a two-week-old report, when we now have a report brought by the NDP, supported by the PCs—so two thirds of the subcommittee—

The Chair (Ms. Soo Wong): The motion.

Mr. Victor Fedeli: The motion, I should say. I appreciate the fact that I now understand that he's not referring to the motion that we're dealing with; he's referring to something from two weeks ago—which I do believe is under-representative of the north, south, east and west.

I think we are at a crossroads in Ontario. I think we have a lot of new material. In fact, just yesterday we were surprised with a new finance bill that nobody—at least on this side; maybe on the other side—was aware was coming. This is absolutely brand new. The sheer fact that a finance bill was brought to us tells us that there's a lot happening in finance, and it's moving quickly and it's changing every day. We were caught absolutely unaware that there would be that change yesterday.

I think the people of Ontario need a lot of opportunity to debate all these new issues that have come up, in addition to what they would normally debate pre-budget. We've now got a pre-budget debate, which we're talking

about, but also a brand new finance bill from yesterday that needs a tremendous amount of discussion throughout Ontario as well—unless they know something on the other side that we don't know.

The Chair (Ms. Soo Wong): Mr. Baker.

Mr. Yvan Baker: Mr. Fedeli was saying that there's a lot happening in finance. I agree, and that's just a sign that the government is working hard for the people of Ontario. I think that you could apply that to all the ministries across the government. But I don't think that's a sign for alarm; I think that's a sign that the government is hard at work. We should be rejoicing, I think.

This is a pre-budget consultation. It's about getting input from the people of Ontario about the budget, which will be coming out in the spring sometime—or in the new year, at least. I think if that's the purpose of this, then we should be approaching it in a way consistent with how it's been approached in the past. If you look at how it's been approached, what's in the draft report of the subcommittee is a very reasonable proposal and consistent with how we've gone to speak to Ontarians in the past and reached out to all parts of the province.

The Chair (Ms. Soo Wong): Any questions or comments to the motion before us? Mr. Singh.

Mr. Jagmeet Singh: I just want to make really clear two things. One is that the motion I put forward included the following cities: Thunder Bay, Kenora, Sault Ste. Marie, Sudbury, Ottawa, Windsor, Sarnia, London, Niagara Falls, Hamilton, Oshawa, Kingston, and two days in Toronto. That's what I put forward.

I want to understand if the government supports going to these cities, which would be very representative of the province of Ontario. I want to understand, because the comments that have been made have not been to this motion. I've listed those cities, and my question is, one, does the government, regarding this motion, support going to these cities?

My second point is that the initial draft, which is referred to, is not consistent with what we've done in the past. In the past, we've had at least eight days of travel. so it's not consistent with what has gone on in the past. I want that to be clear as well.

I'm suggesting, on behalf of the NDP, and, I believe, supported by the Conservatives, that we need to have a wholesome consultation process that looks at the entire province and that is representative of the north, the east, the south and the west, and the number of days that are attributed to this process should be meaningful. That's why I've suggested up to 14 days.

The Chair (Ms. Soo Wong): Okay. Mr. Baker?

Mr. Yvan Baker: We're supportive of visiting the cities that are in the draft report of the subcommittee. As far as consistency—

Mr. Jagmeet Singh: Just a point of order.

The Chair (Ms. Soo Wong): Mr. Singh?

Mr. Jagmeet Singh: We're speaking on this motion, so—

The Chair (Ms. Soo Wong): No, I think he's answering your question, because I believe you asked the government side for some answers.

Mr. Jagmeet Singh: Then I just don't know what was in the draft report. Maybe we could have that circulated?

The Chair (Ms. Soo Wong): You asked a question, and you asked the government side to answer the question. I believe Mr. Baker is trying to answer your question.

Mr. Baker, can you please proceed?

Mr. Yvan Baker: Yes. I'm referring to the draft report of the subcommittee, and we can circulate that. That's what we're supportive of, for the reasons that I've stated before; I won't restate them. It does cover all parts of the province. It's consistent with what we've done in the past.

Mr. Singh referred to the fact that it's not consistent with what we've done in the past. If I look at the document that we have in front of us—now I'm looking at A Cross-Jurisdictional Comparison of Pre-Budget Consultation Dates—it's very consistent with what we've done in the past.

I do think it's consistent. I do think it allows us to reach out to all Ontarians. I don't think anything substantive has changed that requires us to do something above and beyond, as Mr. Fedeli has suggested.

We support the consultation schedule and cities that are listed in the draft report of the subcommittee.

The Chair (Ms. Soo Wong): The Clerk is coming around with the dates and locations of previous pre-budget consultations' locations as well as the number of dates.

I believe Mr. Baker made reference to a report that is dated September 3, 2015. Research officer Susan Viets submitted a report to this committee, A Cross-Jurisdictional Comparison of Pre-Budget Consultation Dates. I believe that report was circulated to all the committee members. I think that's what Mr. Baker is making reference to. There are lots of reports and motions being forwarded. The committee as a whole did receive a report from the research officer.

Mr. Singh, I'm not sure you did directly, because you're not a regular committee member, but there was a report to all of the standing committee members of finance and economic affairs. It was a review of all the pre-budget consultation processes across Canada. That's just for clarification.

Mr. Singh?

Mr. Jagmeet Singh: Could I just have a copy of the report that's being referred to? If the Clerk could prepare that copy?

The Chair (Ms. Soo Wong): I have my copies here, Mr. Singh. Maybe the Clerk—

Mr. Jagmeet Singh: Maybe just the cities in that report are sufficient.

Mr. Victor Fedeli: I don't have one either.

The Chair (Ms. Soo Wong): You can take my copy, Mr. Fedeli. This is the copy that was sent. All the permanent members of the committee got that report.

Are there any other comments or questions with respect to Mr. Singh's motion?

Mr. Victor Fedeli: What is the process after this, then? How do we move on, is my question? Maybe I'll ask after Mr. Singh asks.

The Chair (Ms. Soo Wong): Mr. Singh, you had a question?

Mr. Jagmeet Singh: Yes. In 2015, according to the History of Pre-Budget Consultations in Ontario, there were eight days set aside for consultation, January 20-23 and 27-30—eight days and seven cities.

1420

This time around, referring to the draft report of the subcommittee, there are five cities—that's two less—and there are six days—that's two less days. So when I say that it's not consistent, it's less. It's two days less, and two cities less. That's what I meant. I'm giving you an evidentiary basis for why I'm suggesting it's not consistent: Two days less and two cities less is not consistent.

Last year, there were two more cities and two more days. I'm saying Sault Ste. Marie is one city, Ottawa, Windsor, Hamilton and Toronto; that's five cities. Last year, in 2015, there was Fort Frances, Sudbury, Ottawa, Cornwall, Fort Erie, London, Toronto; seven cities—two more cities.

How can the government claim that it's consistent, when it's two less cities, and the days that were done in 2015—that's eight—and here we have January 18, 19, 20, 21, 22 and February 1; six days. That's less. That's why I'm saying it's not consistent. I want to make it clear that that means the government does not want to go to these additional cities that we've said, which would be more representative of the entire province, cities like Thunder Bay, Kenora, Sudbury, Ottawa, Sarnia, London, Niagara Falls, Hamilton, Oshawa and Kingston.

The Chair (Ms. Soo Wong): Before I turn it over to Mr. Baker, Mr. Fedeli had a question, Mr. Clerk, about the process piece—he was just inquiring when you stepped out—can you just clarify the process for the committee? He asked what are we going to do with these motions—what's the next step?

The Clerk of the Committee (Mr. Katch Koch): I guess, at the end of the day, if the committee adopted a motion, it would give me instructions to go ahead and make the arrangements.

Now, there's a caveat to that, because the committee would still need authorization from the House to meet when the House is not sitting.

Mr. Victor Fedeli: So does Mr. Singh bring this motion for a vote? Is that what we do?

The Clerk of the Committee (Mr. Katch Koch): He could. The motion is debateable, as you can see. It's also amendable. At the end of the day, I believe there's point number two, which directs the Chair to request authorization to meet during the winter adjournment.

So all this would be subject to the House approving the committee meeting outside of the regular House session.

Mr. Jagmeet Singh: I think that Mr. Baker was next, though, so I don't want to—

The Chair (Ms. Soo Wong): Okay, I'm going to turn to Mr. Baker.

Mr. Yvan Baker: I'll just say, I think Mr. Singh has chosen some selected years, but if you look at the norm, the draft report of the subcommittee is very much consistent with the norm. The second point I would say is that the subcommittee had agreed on the draft report, so that's the basis from which we're working. I think it's a very reasonable proposal in terms of the number of cities and the number of dates—it's six dates and five cities, I believe, if I'm counting correctly. I would just move that we put this to a vote, Chair.

The Chair (Ms. Soo Wong): Okay, the question is now put; the committee is calling for a vote.

Mr. Jagmeet Singh: The question—what did you say?

The Chair (Ms. Soo Wong): Mr. Baker has called the question. The question right now before the committee is the entire motion that has been put before us—this one page before us is Mr. Singh's motion.

Mr. Victor Fedeli: But it's not one page, though.

The Chair (Ms. Soo Wong): I know. There are 15 sections.

Mr. Victor Fedeli: So that's the one?

The Chair (Ms. Soo Wong): The entire page, that's what we're voting on. The question has been put with respect to the entire page, with regard to all 15 pieces.

Mr. Singh?

Mr. Jagmeet Singh: There are two things that I would like to do. One is, I would request a recorded vote when we're at the time of the vote, and before the vote, I would ask for a 20-minute recess.

If we're still discussing, then I'm happy to discuss, but before the vote happens, I would request a 20-minute recess and then we return and immediately vote.

The Chair (Ms. Soo Wong): So there's now a request for a 20-minute—

Ms. Ann Hoggarth: A point of order.

The Chair (Ms. Soo Wong): Ms. Hoggarth?

Ms. Ann Hoggarth: I thought that once there's been a request for a vote, you cannot have a recess.

The Chair (Ms. Soo Wong): No, we haven't taken the vote.

Ms. Ann Hoggarth: No, but it has been requested.

The Chair (Ms. Soo Wong): Under the committee proceedings, we do allow a 20-minute recess, just so people understand.

Ms. Ann Hoggarth: After a vote has been requested?

The Chair (Ms. Soo Wong): Yes. We haven't voted, so there is now before us a 20-minute break. I'm looking at the clock right now. We're back at 2:45 p.m., Mr. Clerk, because there's a request—

Interjection.

The Chair (Ms. Soo Wong): No further debate on this.

Mr. Yvan Baker: Do we have to agree to that, Chair?

The Chair (Ms. Soo Wong): No, you can't. It's automatic. Any member of the committee has the right to ask for a 20-minute recess at any time.

Any comments, questions?

I'm going to recess the committee. We're coming back at 2:46, so watch your clock. I'm going to put the gavel back down at 2:46, for a 20-minute recess.

The committee recessed from 1426 to 1446.

The Chair (Ms. Soo Wong): My clock says 2:46, so we're going to reconvene the Standing Committee on Finance and Economic Affairs.

I believe we now have a vote. I'm calling the vote. It's a recorded vote, according to Mr. Singh.

Ayes

Fedeli, Singh.

Nays

Baker, Ballard, Hoggarth, Milczyn, Vernile.

The Chair (Ms. Soo Wong): The motion is now lost. Mr. Baker.

Mr. Yvan Baker: I'd like to move a new motion.

The Chair (Ms. Soo Wong): Yes.

Mr. Yvan Baker: I'm just going to read it out here.

Mr. Victor Fedeli: Chair?

The Chair (Ms. Soo Wong): Mr. Fedeli.

Mr. Victor Fedeli: Would you mind—just before you read the whole motion, the two salient points. Has anything changed other than number 1 and number 8 in the bulk of it? Just so we know.

The Chair (Ms. Soo Wong): Mr. Fedeli, according to the Clerk, we have to read the entire piece for the record.

Mr. Victor Fedeli: I will ask, then, after you read it. Just tell us, is it just the two changes?

Mr. Yvan Baker: Okay.

The Chair (Ms. Soo Wong): Mr. Baker, you may begin.

Mr. Yvan Baker: I move:

(1) That the committee hold pre-budget consultations in Sault Ste. Marie, Thunder Bay, Ottawa, Windsor, Hamilton and Toronto on January 18, 19, 20, 21 and 22 and February 1 and 2, 2016.

(2) That the Chair, on behalf of the committee, request the House leaders to authorize the committee to meet for up to six days during the winter adjournment for the purpose of pre-budget consultations.

(3) That the Clerk of the Committee, with the authorization of the Chair, post information regarding the pre-budget consultations on the Ontario parliamentary channel, on the Legislative Assembly website and with Canada NewsWire.

(4) That the Clerk of the Committee, with the authorization of the Chair, place an advertisement in the Turtle Island News and a major newspaper for one day in each of the cities where the committee intends to hold pre-budget consultations, and that the advertisements be placed in both English and French papers where possible.

(5) That interested people who wish to be considered to appear before the committee contact the Clerk of the Committee by 12 noon on January 8.

(6) That following the deadline for requests, the Clerk of the Committee provide the subcommittee members with an electronic list of all potential witnesses who have requested to appear before the committee.

(7) That, if all requests to appear cannot be accommodated in any given location, each of the subcommittee members supply the Clerk of the Committee with a prioritized list of witnesses chosen from the Clerk's list and that the scheduling be done in the order of the government, the official opposition and the third party.

(8) That witnesses be offered a total of 15 minutes, 10 minutes for presentations and five minutes for questioning by party rotation.

(9) That the deadline for written submissions be 5 p.m. on Tuesday, February 2, 2016.

(10) That the research officer provide the committee with a summary of the oral and written submissions by February 8, 2016.

(11) That, with the exception of procedural motions during public hearings, the committee consider all other motions during report writing.

(12) That the committee authorize one staff person from each recognized party to travel with the committee, space permitting, for the purpose of pre-budget consultations and that reasonable expenses incurred for travel, accommodation and meals be paid for by the committee upon receipt of a properly filed expense claim.

Chair, if I may, I'd like to make a small adjustment to point 2. I said "up to six days," but it should say "up to seven days."

1450

The Chair (Ms. Soo Wong): Seven days. Okay. So it was a minor change.

Mr. Yvan Baker: Yes.

The Chair (Ms. Soo Wong): Okay. All right. I see Mr. Singh has his hand up.

Mr. Jagmeet Singh: I don't take issue with the minor amendment of six to seven, if required, because the dates that are listed are seven days. It makes sense for that six to be a seven. I have no issue with that, in case there needs to be any permission.

I can make comments in addition, though.

The Chair (Ms. Soo Wong): Okay. I saw Mr. Fedeli's hand, so I'm going to come back to you, Mr. Singh.

Mr. Victor Fedeli: I want to jump down to the NDP proposal, numbers 8 and 9, and just ask why they're missing. Number 8 used to say "That, if all requests to appear can be accommodated in any given location, the Clerk of the Committee, in consultation with the Chair"—

The Chair (Ms. Soo Wong): Okay—

Mr. Victor Fedeli: I'm just asking why that one is out. I could just read a sentence—why is this sentence out?—rather than refer to it. That's number one.

Number two is the next sentence, number 9, "That late requests to appear may be considered, space permitting." My first question is, why are those two out? Any particular reason? I just didn't see that.

That's the first of three questions.

Mr. Yvan Baker: I can speak to the—

The Chair (Ms. Soo Wong): Mr. Baker.

Mr. Yvan Baker: Sorry, if I may?

The Chair (Ms. Soo Wong): Yes.

Mr. Yvan Baker: On the issue of the late request to appear: Our view is there should be no late request to appear because the deadline to appear is actually quite long. Therefore, there shouldn't be a need.

That's the late request to appear part. Was there another question as well?

Mr. Victor Fedeli: Yes, the one before that: "all requests to appear can be accommodated in any given location, the Clerk of the Committee, in consultation with the Chair, be authorized to schedule the witnesses." That's out of this one now. Is there any particular reason?

Ms. Ann Hoggarth: Which number are we on?

Mr. Victor Fedeli: On the NDP one, it would have been number 8: "That, if all requests to appear can be accommodated in any given location, the Clerk of the Committee, in consultation with the Chair, be authorized to schedule the witnesses." That's gone. I just don't know why.

Mr. Yvan Baker: I just don't see the need for number 8. I'm not going to defend the NDP motion.

Mr. Victor Fedeli: No, no, it's—

Mr. Yvan Baker: I can't justify the NDP motion, so it's difficult for me to argue, but I don't believe it's required.

Mr. Victor Fedeli: Okay. We'll forgo number 8 for the moment. So number 9 again, "That late requests to appear may be considered, space permitting." We've always extended that as a courtesy. The Clerk has come to us sort of casually and said, "Oh, John Smith has shown up. Do we want to show him the door? Do we want to take him in?" We've always, to the best of my knowledge in my four years of various committees, let somebody come in. If we're up in Fort Frances and somebody shows up, we're not going to show them the door. So we're asking for that to not happen. I'm just a bit concerned.

Mr. Yvan Baker: I would just say that I think the request to appear is quite long and is quite reasonable. I can't speak to what has been done in the past on that front. I think we just had—

Mr. Victor Fedeli: But I just did.

Mr. Yvan Baker: I know, but I'm saying that I don't think any of us can, because in the previous discussions we were speaking about cities that we visited and we debated back and forth, and some of us had one impression and some of us had another impression. Without the facts in front of us about what was actually done, I think it's tough to have that discussion on that basis. All I'm saying is that I think that there is a long lead time to

appear. The deadline to appear is quite long, and so I don't think there's a need for the late requests.

Mr. Victor Fedeli: Okay. My third of this round of questions will be—again, I go back to the NDP one because it's the one that was typed: “That the Clerk of the Committee, in consultation with the Chair,”—it's item 15, the last one; it's now removed—“be authorized prior to the adoption of the report of the subcommittee to commence making any preliminary arrangements to facilitate the committee's proceeding.” That's gone. Is there any reason why that item is not here any longer? Any thoughts on that?

Those are the three paragraphs that are gone.

Mr. Yvan Baker: Again, I'm not going to defend the NDP motion. I don't see the need for it.

Mr. Victor Fedeli: Okay. So I'll come back, Chair, to—those were the three questions that I had as to why things were omitted. I have other questions about things that have been added. I'll share the floor later, if that's okay.

The Chair (Ms. Soo Wong): Okay. Mr. Singh?

Mr. Jagmeet Singh: There are certain things that can be considered partisan in nature. This is for the benefit of the government. You may be concerned because you don't want to go to certain cities because you don't want to give respect to those cities for some particular reason. We're saying we want to go to all cities. That might be an area where I'm opposed to you on.

But there are certain things that are not actually partisan at all. Late-showing is not defending an NDP motion; it's just a convention. If someone shows up to a committee and we have time in that committee—if we finish an hour early; if we finish 30 minutes early—if someone else doesn't show up and someone happens to be there, without having the “late requests ... may be considered, space permitting,” in there, that person will not be able to testify. It's not a partisan thing. Imagine we're in the committee now, and two of our people didn't show up, and someone shows up and says, “Hey, I'm a citizen. Can I be on the list?” This would allow that person to be on the list. It's not partisan. There's no trick. It's just a nice thing to do. It's pretty fair. I would say that it would make sense to do that.

The last one, again, is not an NDP thing to defend. “That the Clerk of the Committee, in consultation with the Chair”—there's a Clerk there, there's a Chair there, and none of them are NDP, those two folks right there; you see them, right?—“be authorized prior to the adoption of the report of the subcommittee to commence making any preliminary arrangements to facilitate the committee's proceeding.” It's just a beneficial thing for us to have that ability for them to make decisions. I trust that the Chair is not going to be partisan and do anything inappropriate with that power. It just facilitates this committee doing its job. Again, it's not defending an NDP position. There's nothing partisan about that. In fact, I'm suggesting that the Chair and the Clerk, neither of whom are NDP, have the ability to take certain steps to make sure that the work gets done.

I just want to make sure that's clear on the record: that certain things are not partisan by any means.

In fact, number 8 was in the previous motion that I put forward. “That, if all requests to appear can be accommodated in any given location, the Clerk of the Committee”—Mr. Koch—“in consultation with the Chair”—Madam Chair—“be authorized to schedule the witnesses.” Again, you're not defending an NDP motion by doing that. It's just allowing them to schedule the witnesses.

Sometimes, we've got to take our partisan turbans off and look at it just as, will it facilitate the committee doing its work? You're not defending anything by responding to Mr. Fedeli's question about those amendments.

My concern that is directly related to the substance of this motion is the lack of other cities, so I'll be asking to amend the motion on the table. I have copies.

Let me confer. Have we given the copies to everyone yet?

Interjection.

Mr. Jagmeet Singh: We have copies here to provide to everybody. I can read the motion in, before I provide the copies, or, if you'd like, give the copies of my amendment first, whatever—

The Chair (Ms. Soo Wong): The Clerk will take—

Mr. Jagmeet Singh: I find it's easier to have the amendment in front of you instead of hearing the words alone, so I have copies here.

The Clerk of the Committee (Mr. Katch Koch): Thank you.

Mr. Jagmeet Singh: He wanted a copy too, I think. Est-ce qu'on en a une autre pour notre—comment dit-on « translators »? Je ne sais pas le mot pour « translators ». You guys can sign it to me, maybe.

The Chair (Ms. Soo Wong): I'm going to recess for two minutes, Mr. Clerk, because there aren't enough copies. The staff needs a copy for translation purposes.

The committee recessed from 1500 to 1502.

The Chair (Ms. Soo Wong): I'm going to resume the committee. I believe Mr. Singh has now tabled in front of us a written motion, an amendment to Mr. Baker's motion. Am I correct?

Mr. Jagmeet Singh: I'll read it in.

The Chair (Ms. Soo Wong): I think you have to read it for the record.

Mr. Jagmeet Singh: I do. I'm ready to read it in.

I also have to acknowledge that I didn't give Mr. Baker or anyone from the Liberal side time to respond to some of the comments I made, so I apologize that I quickly dropped this in. I should have maybe let you respond first and then done the amendment, but hopefully you can respond to both.

I move that sections 1 and 2 of the motion be struck out and the following substituted:

“(1) That the committee hold pre-budget consultations in Thunder Bay, Sault St. Marie, Sudbury, Ottawa, Windsor, Sarnia, London, Niagara Falls, Hamilton, Oshawa, Kingston and two days in Toronto between January 11 and February 5, 2016.

“(2) That the Chair, on behalf of the committee, request the House leaders to authorize the committee to meet for up to 13 days during the winter adjournment for the purpose of pre-budget consultations.”

I have some comments for whenever.

The Chair (Ms. Soo Wong): Okay. Mr. Baker.

Mr. Yvan Baker: What I'd like to do is take the opportunity, Chair, if you'll allow me, to respond to the earlier comments that were made by Mr. Singh.

The Chair (Ms. Soo Wong): No. We're going to have to debate on the amendment. Sorry.

Mr. Yvan Baker: Okay. Then on the amendment itself, again, I think I've been pretty clear as to our position as far as committee travel. We started with the draft report of the subcommittee, with the travel there. In the motion that I presented earlier that Mr. Singh is amending, we've actually added a location. We added Thunder Bay.

As far as I'm concerned, what we're trying to do is make sure that we're consistent with how things have been done in the past in terms of pre-budget consultation. Nothing has changed this year above and beyond previous years. This is allowing us to reach out to all parts of the province, and we're giving a lot of lead time so people can access the committee, speak and provide submissions as part of the pre-budget consultation.

The Chair (Ms. Soo Wong): Okay. Any other comments or questions regarding the amendment? Mr. Fedeli.

Mr. Victor Fedeli: I support this amendment and look forward to the vote on it.

The Chair (Ms. Soo Wong): Any other questions or comments to the motion by Mr. Singh? Mr. Singh.

Mr. Jagmeet Singh: Yes. You'll note that the motion is different. Initially, I put forward a motion requesting a number of cities, and now, understanding that the government is not prepared to go to as many cities as I would love to go to, we have sadly removed lovely Kenora from the list. We're hoping that the government will be willing to go to these cities—and I've removed one, even though I didn't want to—at least to get more representation from the province of Ontario. We've removed one city, but we still want to have more than the government is proposing, so this is the compromise position.

I'm hoping that the government will accept this.

The Chair (Ms. Soo Wong): Any more comments? Mr. Baker.

Mr. Yvan Baker: I have nothing to add to my further comments. I think I've responded to that. I just move that we vote on this.

The Chair (Ms. Soo Wong): Okay. The question has been put.

Mr. Jagmeet Singh: Can I ask for a recorded vote?

The Chair (Ms. Soo Wong): Mr. Singh has asked for a recorded vote. Mr. Clerk, are you ready?

Mr. Yvan Baker: Chair, just for clarification, we're voting on Mr. Singh's amendment?

The Chair (Ms. Soo Wong): Mr. Singh's amendment first.

Ayes

Fedeli, Singh.

Nays

Baker, Ballard, Hoggarth, Milczyn, Vernile.

The Chair (Ms. Soo Wong): The motion is defeated. I believe we are back to the government motions. Mr. Singh first, then Mr. Fedeli.

Mr. Jagmeet Singh: I just would suggest that, at this point, the government wasn't able to respond to some of the comments that I made before, so I think it would be fair to give them the opportunity to respond to those.

The Chair (Ms. Soo Wong): I believe that Mr. Singh has some questions for the government side. Does anybody want to respond? Mr. Baker.

Mr. Yvan Baker: I'll just respond briefly to a couple of points. One is that Mr. Singh made a few comments that suggested that we are disagreeing with some of the NDP points in the motion for partisan purposes. None of it is partisan. All of this is just about making sure that we reach out to people in an effective way on the issues that matter to Ontarians. The reasons for disagreement are just around how we make sure that this is as effective a process as possible. That's the first thing I would say.

The second thing: When I was talking about that I can't speak to the NDP motion—Mr. Fedeli was asking me to comment on your submission, the NDP submission. That's why I was saying that I can't speak to the NDP submission. That's why I was saying that. Again, our rationale on this is not partisan, it's about making sure we have an effective pre-budget consultation.

The last piece was that you had asked about point number 8 and why we had eliminated that. I think it's just to avoid duplication of witnesses, where you have a single meeting with multiple people from the same body—

Ms. Ann Hoggarth: The same presentation.

Mr. Yvan Baker: The same presentation, effectively. That's feedback that we've received from members who have been on the committee before. We want to make sure that space doesn't get eaten up through that duplication, and that we hear from a broad cross-section of people.

The Chair (Ms. Soo Wong): I believe Mr. Fedeli had his hand up.

Mr. Victor Fedeli: A couple of things: On item number 10—the research officer provide a summary—is there a particular reason why it's February 8? Is there any comment or reason why? In our draft committee report, I don't recall that we had a date picked—unless we did that and I don't see it. So we didn't have a date picked and you picked that date. Is there a sense of why?

The Chair (Ms. Soo Wong): Mr. Baker.

Mr. Yvan Baker: Yes, it's just so we have a chance to review before the first meeting of SCOFEA before we start drafting.

Mr. Victor Fedeli: My final question then would be, we're looking at 15 minutes: 10 minutes for presentations and five minutes for questions by party rotation. I was at committee recently where we did three minutes each rotation. That really was efficient. It gave all three parties an opportunity to talk to every presenter. I would look for a friendly amendment there. I don't want to submit a formal amendment. I'm looking for any head-nodding that we can look at the three minutes for each party. If it is, it is and if it isn't, it isn't.

The Chair (Ms. Soo Wong): Am I hearing that, Mr. Fedeli, you want to amend number 8 to have nine minutes for questioning, because it's three, six, nine, right? Am I correct?

Mr. Victor Fedeli: Yes.

The Chair (Ms. Soo Wong): So in total, the witness will actually be offered 19 minutes, 10 of which is for the presentation and nine minutes is for three minutes per party to ask questions.

Mr. Victor Fedeli: Now you're talking. I was looking for a friendly amendment on that one.

Interjection.

The Chair (Ms. Soo Wong): I'm being told by the Clerk that there's no such thing as a friendly amendment.

Mr. Victor Fedeli: There was a friendly amendment to change six to seven. That was changed without a formal written amendment.

The Chair (Ms. Soo Wong): Any comments from the government side?

Mr. Yvan Baker: So, my understanding, if I understand what you're proposing, Mr. Fedeli, is that this would extend the amount of time. You give three minutes to each party for questions?

Mr. Victor Fedeli: Yes.

Mr. Yvan Baker: To your point, we want to make sure that as many people as possible can come and submit. The more you extend the time, the more you eat into the slots available to other people to make submissions.

Mr. Victor Fedeli: You're making a quantity-versus-quality presentation, then. I don't know that's the argument I would have gone with.

Mr. Yvan Baker: I think five minutes allows for a high-quality submission. Chair, can I also move that we put this to a vote?

1510

The Chair (Ms. Soo Wong): Okay. There's a question that's been put. Is there further debate first?

Mr. Jagmeet Singh: Yes, further debate.

The Chair (Ms. Soo Wong): Okay.

Mr. Jagmeet Singh: I have a question for the Clerk. One of the things that I wanted to see—just because if it's not included now, then future finance committees will say, "Oh, we didn't do it last year." I just want to confirm that previously, the component that says, "Late requests to appear may be considered, space permitting"—can we have confirmation that that was something that was done in previous years—for example, last year?

The Clerk of the Committee (Mr. Katch Koch): Yes, it was.

Mr. Jagmeet Singh: Okay. Do you know, the year before that, if it was done as well?

The Clerk of the Committee (Mr. Katch Koch): I would have to check the record, but I'm pretty sure it was.

Mr. Jagmeet Singh: Would it be fair to say it's a convention that has been going on for some time now?

The Clerk of the Committee (Mr. Katch Koch): Because I don't have the records in front of me, I wouldn't be able to say with certainty how far back it would go.

Mr. Jagmeet Singh: Okay. In your experience, is it something that's common or uncommon, in a finance committee setting?

The Clerk of the Committee (Mr. Katch Koch): It has been done by the committee. I really can't pass judgment on whether it's common or not.

Mr. Jagmeet Singh: Sure. Thank you. To you through the Chair, Mr. Clerk: Last year at least, at a minimum, it was the case that late requests to appear were considered, space permitting?

The Clerk of the Committee (Mr. Katch Koch): Correct.

Mr. Jagmeet Singh: Okay. Before we go to a vote, if this needs to be a written amendment, I'll be asking for an amendment to include, as point 13 in this, "That late requests to appear may be considered, space permitting." The language is in the motion that was handed out before.

The Chair (Ms. Soo Wong): Mr. Baker?

Mr. Yvan Baker: A point of order: I had moved that we put this to a vote.

Interjection.

The Chair (Ms. Soo Wong): I've been advised that the normal practice is, as everybody knows, this kind of discussion about pre-budget consultations is done by the subcommittee, and we did not get consensus at the subcommittee level. Therefore, it's up to the Committee of the Whole to discuss this particular piece.

Given the fact that we have to make sure that there's enough discussion about this piece—because this is critically affecting all three parties—with regard to the debate, if there's enough discussion, then I will put the question to a vote, Mr. Baker.

I see that Mr. Singh has now put forward a so-called amendment. It's not considered friendly. I believe that there is a motion supposedly put forward by Mr. Singh. If we need to draft it, we have to put it in writing.

Mr. Jagmeet Singh: Sure.

The Chair (Ms. Soo Wong): Then we need to include that piece, the late request to appear—

Mr. Jagmeet Singh: Yes.

The Chair (Ms. Soo Wong): —and put it to a vote first, before we vote on the entire piece of the government motion. I just want people to understand where we're coming from.

Mr. Jagmeet Singh: Sure. I can do that.

The Chair (Ms. Soo Wong): Because any time there's an amendment to the existing motion, the amendment gets discussed and debated, and then we call the question—and then the whole motion piece. I just want it done procedurally.

Mr. Singh, how fast can you write?

Mr. Victor Fedeli: It's one sentence.

The Chair (Ms. Soo Wong): It's one sentence. Can you write that fast?

Mr. Jagmeet Singh: Yes, for sure. I just need a sheet of paper, and I will get back to it. Can I request a brief adjournment?

Interjection.

The Chair (Ms. Soo Wong): Okay. Mr. Clerk is going to get somebody to type it up. Can we get that done? How long?

The Clerk of the Committee (Mr. Katch Koch): Five minutes.

The Chair (Ms. Soo Wong): Five-minute recess.

The committee recessed from 1514 to 1525.

The Chair (Ms. Soo Wong): Okay, I'm going to resume the committee. I believe the Clerk just distributed four pages of motions before the committee. I believe we're going to need them read into the record, right, Mr. Clerk?

The Clerk of the Committee (Mr. Katch Koch): Into the record, yes.

The Chair (Ms. Soo Wong): The first one here—who's moving that particular motion?

Mr. Jagmeet Singh: I can move it.

The Chair (Ms. Soo Wong): Okay, this is 13. Mr. Singh, can you read it into the record?

Mr. Jagmeet Singh: Sure, 13: I move that the motion be amended by adding the following:

“(13) That, if all requests to appear can be accommodated in any given location, the Clerk of the Committee, in consultation with the Chair, be authorized to schedule the witnesses.”

The Chair (Ms. Soo Wong): Any questions or comments on this motion number 13? Seeing none, I'm going to call the question. All those in favour?

Mr. Jagmeet Singh: Sorry. I want to just explain the motion.

The Chair (Ms. Soo Wong): Okay. You've got to move fast, Mr. Singh. You know my rules.

Mr. Jagmeet Singh: I know you're fast, Madam Chair.

Mr. Victor Fedeli: You're a lawyer.

Mr. Jagmeet Singh: You know I like to take my time.

Mr. Victor Fedeli: Do you get paid by the hour when you're—

Mr. Jagmeet Singh: We get paid by the word.

The Chair (Ms. Soo Wong): Okay, stop.

Mr. Singh, please.

Mr. Jagmeet Singh: In this case, this is a house-keeping motion amendment, and it would just allow that in any particular given location, the Clerk and the Chair be given the authorization to schedule the witnesses. If they can be accommodated in a particular location, the

Clerk and the Chair, working together, should be authorized to schedule those witnesses in.

The Chair (Ms. Soo Wong): Any questions and comments? I'm going to put the question to everybody.

All those in favour of the motion? All those opposed? The motion is defeated.

I see motion number 14. Mr. Singh, do you want to read it for the record?

Mr. Jagmeet Singh: I move that the motion be amended by adding the following:

“(14) That late requests to appear may be considered, space permitting.”

I also want to make comments on it.

The Chair (Ms. Soo Wong): You may begin.

Mr. Jagmeet Singh: This is a very fair amendment. Essentially, if someone shows up to the committee the day of, and there is space permitting—if they're able to be accommodated, they should be accommodated and be able to provide input. Just because they didn't make a cut-off point, if they do show up and there is space—this wouldn't cut into anyone who has taken the time to schedule themselves in. This is simply, in any given city, if someone shows up on the day and they want to make a deputation and they're able to do so, it provides us with the flexibility to do so. I also note that it was done last year. Specifically, the Clerk confirmed that but did not confirm other years, was not able to, in fairness—but it has been done in other years. Certainly, it was done last year. I think it's a good amendment.

The Chair (Ms. Soo Wong): Mr. Baker.

Mr. Yvan Baker: I'll just quickly repeat what I said earlier. In our motion, we've allowed for written submissions to be provided to give maximum access to people who want to submit to the committee. We also extended the deadline for people to appear from what was originally in the subcommittee report, from December 1 to January 8. So we've given a lot of additional time for people to appear. There's really no need for this motion, I believe.

The Chair (Ms. Soo Wong): Mr. Fedeli.

Mr. Victor Fedeli: I'm very much in favour of this motion. I spoke on it earlier, so I won't speak at length this time. I would think that should this be defeated, this does not negate the Clerk from doing this. There would be no instruction that should a late request appear, they cannot appear. Am I correct in that assumption? If this gets defeated, do we leave it in the hands of the Clerk to bring to us on an ad hoc, as-is basis?

The Chair (Ms. Soo Wong): Mr. Clerk?

The Clerk of the Committee (Mr. Katch Koch): I would do that if the presenter or the potential witness asks me to take it to the committee; otherwise, I would not.

Mr. Victor Fedeli: Would they know to ask you that? Would they just say, “Hey, I'm here now. Can I speak?”

The Clerk of the Committee (Mr. Katch Koch): It has happened in the past. People would show up at hearings and they did not have a time slot assigned to them, and they—

Mr. Victor Fedeli: So would there be anything stopping you from asking us at the committee level, then?

The Clerk of the Committee (Mr. Katch Koch): If it's at the request of the presenter, I would take it to the committee, and the committee can still, by unanimous consent, schedule the witness.

Mr. Victor Fedeli: Thank you.

The Chair (Ms. Soo Wong): Any other questions and comments? Seeing none, I'm going—

Mr. Jagmeet Singh: Recorded vote.

The Chair (Ms. Soo Wong): All right.

Ayes

Fedeli, Singh.

Nays

Baker, Ballard, Hoggarth, Milczyn, Vernile.

The Chair (Ms. Soo Wong): The motion is defeated.

Mr. Singh, is that your other motion?

Interjection.

The Chair (Ms. Soo Wong): Oh, I'm so sorry—

Mr. Jagmeet Singh: If there's a 15, I withdraw 15.

The Chair (Ms. Soo Wong): You're withdrawing this one here?

Mr. Jagmeet Singh: Yes.

The Chair (Ms. Soo Wong): Okay. Sorry. Motion 15 has been withdrawn, everybody.

Mr. Fedeli, do you want to read your motion?

Mr. Victor Fedeli: Mine is number 14. I don't know if that—

The Chair (Ms. Soo Wong): No.

Mr. Victor Fedeli: It doesn't matter? Okay. I move that the government motion be amended by adding the following:

“(14) That witnesses be offered a total of 19 minutes, 10 minutes for presentations and nine minutes for questioning split between the three recognized parties.”

The Chair (Ms. Soo Wong): Any questions or comments to the motion? Mr. Fedeli.

Mr. Victor Fedeli: I have spoken twice on this already, and I would not care to repeat my comments, but I would look for support on this motion.

The Chair (Ms. Soo Wong): Any questions? Mr. Singh.

Mr. Jagmeet Singh: Well, you'll have mine, Mr. Fedeli.

The Chair (Ms. Soo Wong): Any other questions or comments? I'm going to put the question to the floor.

Mr. Victor Fedeli: Recorded vote.

The Chair (Ms. Soo Wong): A recorded vote has been asked for.

Ayes

Fedeli, Singh.

Nays

Baker, Ballard, Hoggarth, Milczyn, Vernile.

The Chair (Ms. Soo Wong): The motion is defeated.

We're going back to the government motion. Mr. Baker.

Mr. Yvan Baker: Chair, what I'd like to do is, at the request of research staff, they've asked that we change the date in point 10 from February 8, 2016, to February 12, 2016. I'd like to propose that we make that friendly amendment at staff's recommendation.

Mr. Victor Fedeli: What is the number?

Mr. Yvan Baker: February 8 to February 12. It's point 10 in the motion.

Mr. Victor Fedeli: So there is such a thing as a friendly amendment here.

The Chair (Ms. Soo Wong): Well, not really—it's an amendment. Is everybody clear on the number? It's now changed from February 8 to February 12, 2016. Everybody's clear about that? Mr. Baker.

Mr. Yvan Baker: Yes, and I move that we vote on the motion, Chair.

The Chair (Ms. Soo Wong): Further debate?

Mr. Victor Fedeli: Recorded vote.

The Chair (Ms. Soo Wong): A recorded vote has been asked for.

Ayes

Baker, Ballard, Hoggarth, Milczyn, Vernile.

Nays

Fedeli, Singh.

The Chair (Ms. Soo Wong): Carried.

That's it. I will now adjourn the committee. Thank you.

The committee adjourned at 1531.

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Wednesday 2 December 2015

Journal des débats (Hansard)

Mercredi 2 décembre 2015

Standing Committee on Finance and Economic Affairs

Budget Measures Act, 2015

Comité permanent des finances et des affaires économiques

Loi de 2015 sur
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ASSEMBLÉE LÉGISLATIVE DE L'ONTARIO

STANDING COMMITTEE ON
FINANCE AND ECONOMIC AFFAIRSCOMITÉ PERMANENT DES FINANCES
ET DES AFFAIRES ÉCONOMIQUES

Wednesday 2 December 2015

Mercredi 2 décembre 2015

The committee met at 1600 in room 151.

BUDGET MEASURES ACT, 2015

LOI DE 2015 SUR
LES MESURES BUDGÉTAIRES

Consideration of the following bill:

Bill 144, An Act to implement Budget measures and to enact or amend certain other statutes / Projet de loi 144, Loi visant à mettre en œuvre les mesures budgétaires et à édicter ou à modifier d'autres lois.

The Chair (Ms. Soo Wong): Good afternoon. We gather here today for the Standing Committee on Finance and Economic Affairs to do public hearings on Bill 144, An Act to implement Budget measures and to enact or amend certain other statutes. The reason why we have to start promptly, members, is that we have a teleconference right now. The first witness is coming through to us by phone.

LAKESHORE
HORSE RACING ASSOCIATION

The Chair (Ms. Soo Wong): Welcome. I believe it is the Lakeshore Horse Racing Association. We have Tom Bain and Paul Branton. Gentlemen, I just want to let you know who is in the room so that you know who we are. I'm Soo Wong, the Chair of the finance committee. With us at the committee table right now are Mr. Fedeli, MPP for the official opposition; Catherine Fife, along with Cindy Forster, from the official third party; and from the government side, Daiene Vernile, Peter Milczyn and Ann Hoggarth. With us also is the Clerk.

When you begin, can you please identify yourself and your position with the horse racing association for the purposes of Hansard. I also want to let you know that you have five minutes for your presentation, followed by nine minutes of questioning from the committee, which means three minutes per caucus party.

All right. You may begin anytime, and again, I just want to remind you to identify yourself for the purposes of Hansard.

Mr. Tom Bain: Okay. Thank you very much. I appreciate the opportunity to do the teleconference. I'm Tom Bain. I'm the mayor for the town of Lakeshore. I'm also the warden for the county of Essex and a director on the Lakeshore Horse Racing Association.

The Lakeshore Horse Racing Association operates the Leamington Raceway in Leamington, Ontario. I'm a very proud part of this industry. I know the importance of horse racing to our agribusiness in rural Ontario and here in Essex county.

The OMAFRA panel declared that the new racing model should have one elected horseman or horsewoman organization. This organization would consolidate the voice of all standardbred horse people. We here agree with that statement. However, we see no progress after three years.

Also, we have no seat at the table with the OLG. This is something that we would like to see changed.

I would like to begin with a quick quote from Tom Barrett, president of the Michigan harness association. He states, "I could not have overestimated the significant negative impact when" the oversight of "horseracing ... moved from state agricultural to the Gaming Control Board." We feel that due to this fact, "the casino industry views horse racing as direct competition," and that "this is like leaving the fox to guard the henhouse."

I am concerned with what happened to our integration. We should have a business partner model not subject to a grant model. The business model should include race-track owners and the new Ontario horseman's association. Any income instruments or grant agreements should be with all the racetracks and with the horse organization.

Some of these tracks operate with massive, lucrative and unaccountable rental agreements to host slots and with no mandate to raise horses. Many of these really have no interest in racing horses. Our question: Where is the public interest served by this model? Where are the incentives to preserve and create jobs in this province? We here at Lakeshore horse raceway feel that we have saved and created jobs in the agrifarm industry in southwestern Ontario. However, we need a willing partner to continue and expand our program.

With regard to teletheatre programming, Woodbine was given the right to operate all teletheatres in the province except ones located on other racetracks. This gave them huge negotiating leverage to purchase signal fees, decoder fees, satellite fees and tote fees at a lower rate. We were faced with decreased negotiating leverage and obtained higher signal, decoder, satellite and tote fees.

Two years ago, at a public meeting of OMAFRA, we presented these issues. We were told that they would investigate them. Unfortunately, there has been no pro-

gress to date. This is very, very important to our program so that we can develop our business model to be as self-sustaining as we possibly can. We want to know when we can have this discussion.

Also, instant racing machines: We've completed a business plan to establish instant racing machines at our racetrack. Upon approval of these models, we would like to know when we could receive one.

Purses: We believe the minimum purse level is too low. We stated this in the beginning of our program. We suggest an average purse per card of \$5,000 per race.

Horse people, we feel, have lost their voice under the current program. Horse people are the advocates—

The Chair (Ms. Soo Wong): Mr. Mayor, I need to stop you there. Your five minutes are up.

Mr. Tom Bain: Okay.

The Chair (Ms. Soo Wong): I'm going to turn it over to Mr. Fedeli for the next three minutes for the questions. Mr. Fedeli.

Mr. Tom Bain: Sure.

Mr. Victor Fedeli: Thank you very much, Your Worship. It's Vic Fedeli of the PC here. We have three minutes on our side, so I'm going to turn most of my time over to you to let you finish your thought.

I just wanted to ask, when you talked about the fox guarding the henhouse, were you referring to the fact that there's not going to be an ORC anymore? Is that what you were referring to?

Mr. Tom Bain: The OLG.

Mr. Victor Fedeli: As opposed to the ORC?

Mr. Tom Bain: Yes.

Mr. Victor Fedeli: Okay. I had some questions about statistics and facts, but you were sort of getting into those anyway, so why don't you finish what you had to say and use the rest of my time for that?

Mr. Tom Bain: Okay. In rural Ontario, the horse people have lost their voice, we feel, under the current program. We have advocated for the agri-food industry. Rural Ontario has long had a history of supporting the business called harness racing. We here make the second-largest contribution to our gross agribusiness GDP, save only to milk production.

In the past, this government had confidence in Lake-shore to license the newest racetrack, this since the opening of Grand River. We feel that we have a proven track record of one of the largest live handles. Also, to no one's surprise, our community here in southwestern Ontario supports us, right from the shores of Lake Huron to the shores of Lake Erie.

We feel that we have saved the industry with regard to the local farming that goes on, production of their products, the horse blacksmiths and the veterinarians. We feel that, in this area alone, we've saved over 2,000 jobs. But we need help to continue. We need a partner.

Thank you.

The Chair (Ms. Soo Wong): You have one minute, Mr. Fedeli.

Mr. Victor Fedeli: When you talked about being second to milk, do you have the statistics? I'm just trying

to get some actual numbers and some facts down on paper in terms of the size, the contribution, number of jobs.

Interjection.

Mr. Tom Bain: Yes, we do have those facts. I don't have them right here with me this instant, but we can send them to you, for sure.

Mr. Victor Fedeli: Would you undertake to get those to the Clerk as absolutely quickly as possible?

Mr. Tom Bain: Oh, certainly.

Mr. Victor Fedeli: We're going to be voting on this Tuesday, perhaps, next week.

The Chair (Ms. Soo Wong): Clause-by-clause is on Monday.

Mr. Victor Fedeli: We have what's called a clause-by-clause on Monday, and we will be voting on this Tuesday—perhaps Wednesday, at the absolute latest, but likely Tuesday. But I would like to have that information from you.

Mr. Tom Bain: Yes, we'll get them in right away. I'll contact our lawyer and have them sent right in.

The Chair (Ms. Soo Wong): Mr. Mayor, I need to stop you here, just to let you know that the deadline for written submissions is 6 p.m., Thursday, December 3, okay? That's what I was given by the Clerk.

I've got to turn it over to the third party. Ms. Fife, do you want to begin the questioning?

Ms. Catherine Fife: Hello, Your Worship. My name is Catherine Fife. I'm the MPP for Kitchener–Waterloo and I'm the finance critic. I'm joined by the MPP for Welland, Cindy Forster.

1610

This is going to be a two-part question. In your deputiation, you asked about when you are going to have a time to discuss these changes that are proposed in Bill 144. So I want to get to the point of public consultation. Did these changes, did this bill—was it a surprise to you? Had you had some conversations? And just leave a little bit of time so we can talk about the purse levels, okay?

Mr. Tom Bain: Right. It certainly was a surprise to us. I think it took us by surprise. We felt that we had a model that was working quite well. This has really concerned our entire executive. We've been meeting on it.

Ms. Catherine Fife: Okay, thank you. I'm going to turn it over to Cindy Forster.

Ms. Cindy Forster: Good afternoon, Your Worship. It's great to be on the phone with you here. You talked about the minimum purse level being too low. Can you go into that in a little more detail, about what the impact actually is to the racing industry and the revenue that you actually attract or not, based on the purse level?

Mr. Tom Bain: I think so many of our local people here count on that purse money for a living. The \$3,000 per race: They just cannot survive. I can give you a quick example of the local horse breeder, Bob Ladouceur, who last year had 44 brood mares and six full-time employees. He is now down to five brood mares and one employee. When the money is not there—in my own

stable, and for me it's a hobby, there were six stables in my barn. I'm the only one left still racing horses out of the stable where I'm at in Woodslee.

We need an increase in the purses to keep the business going.

Ms. Cindy Forster: You also talked about a promise of the government and the OLG that they would actually standardize the standardbred racing. Can you expand on that a little bit?

Mr. Tom Bain: Yes. The horsemen's group needs to come together and be able—

Mr. Paul Branton: We need a single horsemen's group to represent us.

Mr. Tom Bain: —to have a voice so that we can be represented. We feel quite strongly, especially down here in southwestern Ontario, that we have no voice. We just take what's handed to us. We feel that the one group will give us—if we've got a rep in there, then at least we've got a voice and can be heard.

The Chair (Ms. Soo Wong): Okay, Mr. Mayor, I'm going to turn it over to Ms. Vernile from the government side.

Ms. Daiene Vernile: Thank you, Mr. Bain. This is Daiene Vernile. I'm from Kitchener Centre. How are you today?

Mr. Tom Bain: Very good.

Ms. Daiene Vernile: I want to thank you very much for calling in and to let you know that the comments that you do share with us are very important. They help to inform us as we move forward on this.

First of all, what I want to share with you is our assurances to you that our government is committed to the long-term sustainability of horse racing. I know that your community depends on it, along with other ones. We want you to know that.

We're also introducing proposed legislation that's going to, if it is passed, support a sustainable horse racing industry in Ontario. The goal is to make certain that horse racing is going to have a good long-term success in Ontario.

Mr. Bain, this proposed bill, if it is passed—you know it's going to integrate operations with the Ontario Racing Commission and the OLG and the AGCO, the Alcohol and Gaming Commission of Ontario. The OLG are experts in promoting gaming, so integrating is going to allow the industry really to benefit from having a centralized marketing plan—so resources and expertise that will allow us to reach out to Ontarians. Do you believe that this type of marketing and promotion is going to be beneficial to horse racing?

Mr. Tom Bain: Yes, as long as you make us a partner in this. I'm sure you can feel our frustrations that we've lost so many in the industry. Those who are still hanging on in here—we need to know that we've got a voice and that we're a partner.

Ms. Daiene Vernile: Okay. We are committed to ensuring that all gaming activities in Ontario are conducted in accordance with the principles of honesty and integrity and transparency, and we do that for the public interest.

This proposed legislation is going to make sure that we have high standards of integrity and safety in horse racing.

The AGCO's oversight is being expanded. It's going to include horse racing, improved promotions of horse racing and the introduction of horse-racing-themed gaming products, streamlining the industry and governance. Would you say that having these changes will have a positive effect on the horse racing industry?

Mr. Tom Bain: I think it will, for sure, as long as we're working together on this. I keep repeating that same thing: that we need to be a partner on this. You're talking about your advertising. I think that's the whole reason that we, as a track of Lakeshore raceway here—we have a separate committee of total volunteers who work. Every week we put on some kind of special activities, advertising. We have out-bet the other two local area tracks in southwestern Ontario that have been open for years and years. We've out-bet them per day, and it's, I feel, because of our promotion that we're doing. But we need help on that.

The Chair (Ms. Soo Wong): Okay, Mr. Mayor. I'm going to stop you here. Thank you so much for your presentation. I just want to remind you that you have until tomorrow evening at 6 p.m. to submit your written submission to the Clerk. Thank you again.

Mr. Tom Bain: Thank you very much, everyone.

CUPE ONTARIO

The Chair (Ms. Soo Wong): I believe our next witness is CUPE Ontario. Come on down. Welcome. Good afternoon. As you heard, you have five minutes for your presentation, followed by nine minutes of questioning. This round will begin with Ms. Fife from the third party.

You may begin any time, and please identify yourself for the purposes of Hansard. Thank you.

Mr. Venai Raniga: Good afternoon. My name is Venai Raniga. I am a research officer with the Canadian Union of Public Employees. The president of CUPE Ontario, Fred Hahn, sends his regrets. He would have loved to have been here but unfortunately had a scheduling conflict.

I'd like to start out by just giving a brief outline of what I plan on discussing. Originally, it will just be who CUPE Ontario is, but I'm pretty sure you all know who we are, then a broad-level point about the omnibus legislation, and then we'll dive specifically into the schedules.

Bill 144 is 167 pages. It's an omnibus bill that changes a variety of other legislation. It's needlessly opaque and would require any thoughtful commentator to assemble a team of people to fully understand the bill's implications for Ontarians. This type of omnibus legislation shows contemptuous disregard for both the Legislature and Ontarians.

Historically, omnibus bills were for housekeeping procedures. However, this all changed 20 years ago when Premier Harris introduced his fall economic statement

through Bill 26. Back then, the Liberal Party took a hard stand against this when they were in opposition. Now, however, the governing Liberal Party has reversed course and found that omnibus legislation advances their goals of expediency, lack of oversight and partisan interest.

The government should take a page out of their federal counterpart's book. Justin Trudeau has said that he will "change the House of Commons standing orders to bring an end to this undemocratic practice." It would be wise for this provincial government to follow suit. Bill 144 should be separated into its constituent parts and allow for a fulsome debate instead of this blatant attempt to impose far-reaching legislation on Ontario without due democratic process.

Now we'll dive straight into the schedules. I'll start with the Electricity Act and the Trillium Trust Act, schedules 3 and 22. The fire sale of Hydro One, the accounting deception of the Trillium Trust and the secrecy of the hydro stranded debt are an unfortunate by-product of a government desperate to live up to an electorally motivated balanced-budget date. Six months ago, eight independent officers of the Legislature provided Ontarians with a prescient warning of the sale of Hydro One. In these schedules, that warning has come to life. The contortions of both language and common sense are astonishing. Both schedules require a forensic accountant to fully understand how this government is defrauding Ontarians through a shell game.

Schedule 3 allows references to residual stranded debt and stranded debt to be erased from the act. In 2011, the Auditor General criticized this government and its secrecy around the reporting of this debt. Instead of heeding these warnings, the government has doubled down and decided to escalate that secrecy by removing all references to debt from the act, and the minister is no longer required to tell Ontarians when the debt has been retired. The result is that consumers will continue to pay the debt retirement charge even if the residual stranded debt is retired between now and April 1, 2018.

Schedule 22 is far more mystifying. It turns a simple trust where proceeds of privatization would be used to pay for infrastructure into a Rube Goldberg machine, seemingly used to help the government balance its budget. It would now be possible to add non-cash assets to the Trillium Trust. The trust can now show a gain without any liquid assets to spend. This runs contrary to the point of privatizing assets to pay for infrastructure.

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The government needs to listen to the eight independent officers of the Legislature, over 185 municipalities, more than 30 chambers of commerce, and the 83% of Ontarians who believe the sale of Hydro One is a bad choice.

As the Financial Accountability Officer noted, "In years following the sale of 60% of Hydro One, the province's budget balance would be worse than it would have been without the sale." The government needs to broaden the ownership back to when 100% of Ontarians owned it.

These schedules are beyond salvage and we recommend that both should be removed.

Next, the Fiscal Transparency and Accountability Act, schedule 6: This government has long suffered a credibility problem. As a response, more than a decade ago, they introduced the Ontario Economic Forecast Council to provide external credibility in reviewing budgetary and fiscal economic assumptions. As Liberal MPP Mike Colle from Eglinton–Lawrence said in 2004, "The Ontario Economic Forecast Council will forecast future economic trends"—

The Chair (Ms. Soo Wong): I'm going to need you to wrap up, sir.

Mr. Venai Raniga: Sure. Well, you should—

The Chair (Ms. Soo Wong): No. I'm going to stop you, because the timing is a sensitive one.

Ms. Fife, can you begin this round of questioning?

Ms. Catherine Fife: I'm going to give you time to finish your statement. I do have a question, though. We share your concern around the deception of the Hydro One funding, as it is clearly not going towards infrastructure and clearly going to deficit reduction. If you'd like to comment on that and extrapolate from your comments or if you'd like to finish your comments, that's fine.

Mr. Venai Raniga: Sure, thank you. I appreciate that.

In 2004, the government was all for an Ontario Economic Forecast Council. Dissolving this council, even though the government continues to suffer in areas of bad forecasting and dubious assumptions, is an alarming move. This schedule should be removed.

Next, I want to move on to the Labour Relations Act, schedule 12. This is clearly an effort for EllisDon, a construction company with financial ties to the Liberal Party. In reality, this is a continued assault on the legal rights of free collective bargaining. We think that this schedule should also be removed.

And lastly, a positive note, on schedule 23, the Workplace Safety and Insurance Act: We thank this government for providing full indexing of benefits to injured workers. However, we believe that an implementation date of January 1, 2018, is unnecessarily delayed and should be January 1, 2016.

I'm sorry, could you repeat your question again?

Ms. Catherine Fife: My question had to do with the deception around where the Hydro One proceeds are going as it relates to the Trillium Trust, based on the last fall economic statement. Did you want to extrapolate a little bit on that? But I also want to leave you time to talk about the labour relations piece.

Mr. Venai Raniga: Sure. Let me start with the labour relations piece. The government tried to introduce a similar bill in a minority situation, and then it had to fall. Meaningful collective bargaining should not be trampled on by the whims of the government. EllisDon has a contractual obligation, which was upheld by the OLRB. If this schedule were to be enacted, it would set a precedent that would allow a single company to be relieved of its collective bargaining obligations via government legis-

lation. It would set a damaging precedent, paving the way for other well-heeled financial contributors.

Ms. Cindy Forster: And so to the EllisDon bill, I understand that at the Ontario Federation of Labour conference last Friday, an emergency resolution was passed by more than 1,000 delegates actually opposing this being included as part of this omnibus bill and asking that it be removed. Do you want to comment further on that?

Mr. Venai Raniga: Yes, certainly. CUPE Ontario does not believe that this should be a part of this legislation. It is offensive in the worst possible way that someone could—

The Chair (Ms. Soo Wong): I'm going to stop you. I'm going to turn it over to the government side. Unfortunately, it's three minutes. As you can imagine, three minutes is very short.

Mr. Venai Raniga: Of course.

The Chair (Ms. Soo Wong): Mr. Baker?

Mr. Yvan Baker: I want to start with just a little bit of local perspective. What I heard from people in my community and what I heard when I was still an aspiring politician and knocking on doors and talking to people was about the issues that are top of mind. What I heard a lot from people in my community was how important it was that we make investments in the infrastructure that helps support our economy and jobs, but also helps support our quality of life. I heard that over and over. I heard from people in my community how important it was that we improve traffic, that we build schools, that we build hospitals etc.

This is one of the things that I'd like to start with because, through Hydro One, we're generating at least \$4 billion more for our investments in new transit, new infrastructure and projects like regional express rail, LRT in communities across Ontario, natural gas access expansion etc. These are examples of the kinds of investments that enhance people's quality of life and strengthen our economy. This is something that you didn't talk about, but I think is important to mention in the context of Hydro One.

I think we're managing our finances responsibly. We're increasing our investment without raising taxes, without increasing debt or recklessly cutting public services. This is the kind of balanced approach that people in my community at least asked me to undertake when they elected me and when I was campaigning.

The other thing I wanted to say is that, with Hydro One, Ontario will still remain the largest shareholder within Hydro One and, by law, no one else can take control of Hydro One, so taxpayers will continue to benefit from the dividend from Hydro One. We're making Hydro One a better-run company with a stronger management team that has committed to improve customer service and performance. I think these are important points to mention.

You talked about funds coming from Hydro One, and I just wanted to address that. In Bill 144, the proposed amendments to the Trillium Trust Act will specifically

identify a number of major provincial assets that are eligible to be credited to the Trillium Trust, and the legislation that's proposed allows for the designated proceeds of identified assets to be paid into the trust through regulation. In addition, the amendments, if passed, would require that a regulation be made to calculate the designated proceeds from the disposition of the asset, and this would be a more transparent way of making that determination—

The Chair (Ms. Soo Wong): Mr. Baker, I'm going to need to stop you. I'm very sorry. It's three minutes. I'm going to turn to Mr. Fedeli.

Mr. Victor Fedeli: Thank you very much for your presentation, Mr. Raniga. Many of the things you spoke about in terms of the omnibus nature of this, we agree entirely and we are bringing amendments forward on Monday's clause-by-clause that talk about trying to separate this into bite-sized bills. I'm not necessarily certain or confident that we're going to win that battle, but it's one that I think is very important for the very reasons—I don't think I could articulate it better than you did, so I'm going to leave it at that, that there is some hope. There's hope out there that we may have an opportunity on Monday to do the right thing.

A couple of areas that you spoke about—the DRC. I'm here four years and one month, but I remember the first month getting here—

Interjection: Has it been that long?

Mr. Victor Fedeli: Yes, it's been that long.

The Auditor General of the day brought out his report and we learned that the debt retirement charge—they'd collected \$8.7 billion against \$7.8 billion. This is back in 2011 now that it was paid off. It was a couple of years later we learned—and I'm going to ask you, are you familiar with this? If you look at the annual reports of the OEFB each year, it showed in 2004 that the debt was around \$7 billion or \$8 billion, and all of a sudden in that 2012 annual report they spiked the 2004—are you familiar with that?

Mr. Venai Raniga: I'm vaguely familiar, yes.

Mr. Victor Fedeli: They spiked it up to \$11.9 billion.

Mr. Venai Raniga: Yes.

Mr. Victor Fedeli: This was an astonishing revelation that day. I was going to ask you if you obviously feel that that's part and parcel—

Mr. Venai Raniga: Right. Clearly, proper accounting procedure would have put this debt down long ago, instead of 2018. It's capricious in nature.

Mr. Victor Fedeli: The auditor revealed that day—and it's all going to come together in a second—back in 2011, that the government was using the debt retirement money for general revenue. Although it's not supposed to, there was a loophole that allowed them to do that, and that's what happened then. They put it into general revenue to fluff up the books, and we've seen that now—and I think you said the same thing—using non-cash equivalent to fluff up the books in the Trillium Trust. Did you want to take another second and just talk a little bit

more about that? Do you think you know the source of that non-cash?

Mr. Venai Raniga: I attempted to review the schedule itself, and it's difficult, just the language in and of itself. Our team has done the same thing. The idea that you could provide non-cash assets to then go and spend on infrastructure—

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Mr. Victor Fedeli: Yes. We think we know where that is as well. The \$2.2 billion in the tax is a paper in-and-out tax transaction—

The Chair (Ms. Soo Wong): Mr. Fedeli, I need to stop you there. I'm very sorry.

Mr. Victor Fedeli: That's the answer.

Mr. Venai Raniga: Thank you.

The Chair (Ms. Soo Wong): Thank you, sir, for being here. If you have any written submission, please send it to us by 6 p.m. tomorrow. Thank you.

ONTARIO HARNESS HORSE ASSOCIATION

The Chair (Ms. Soo Wong): The next group before us is the Ontario Harness Horse Association. Good afternoon, sir. Welcome.

Mr. Brian Tropea: Thank you.

The Chair (Ms. Soo Wong): As you heard, you have five minutes for your presentation, followed by three minutes of questions from each of the caucuses. You may begin any time. When you begin, can you please identify yourself, as well as your position with the Ontario Harness Horse Association, for the purpose of Hansard?

Mr. Brian Tropea: Sure. Thank you for the opportunity to offer public comment on Bill 144. My name is Brian Tropea, and I'm the general manager of the Ontario Harness Horse Association, representing close to 3,000 individuals who participate in racing in Ontario.

As you're aware, horse racing in this province is highly regulated and has had linkages through the Ontario Lottery and Gaming Corporation Act in the past. That linkage to the OLG was through the Slots at Racetracks Program, a program designed with the intent to enhance live racing and subsequently benefit rural and agricultural Ontario.

All of the significant positive growth that was occurring in the racing industry came to a halt with the 2012 announcement that the government intended to end the Slots at Racetracks Program.

The current model for horse racing does not adequately consider the plight of the horse people and the limited racing opportunities. More importantly, the limited amounts of purse money discourage investment in the industry. While racetrack operators that still have slots at their facilities continue to receive funding from the OLG, horse people do not share in that funding. Some racetracks that no longer offer live racing continue to receive revenue from the OLG. Additionally, this arrangement has put racetracks that no longer have slot facilities at a competitive disadvantage.

Ontario is currently the only province or state in North America that I'm aware of that does not share proceeds of gaming at a racetrack with the racing participants.

Under schedule 16.1, the Ontario Lottery and Gaming Corporation Act, 1999, paragraph 5.1 allows the OLG "To undertake activities with respect to the support of live racing in Ontario."

Section 12.1 indicates that "the minister may establish a grant program for the purpose of supporting live horse racing in Ontario and may establish guidelines for the program." This language is much like the language in the old site holders' agreements that contemplated benchmarks and annual reviews, but those benchmarks were never established and annual reviews never happened. OHHA believes that the word "may" should be replaced with the word "shall" in both instances.

Section 12.1(2) allows the minister to "enter into grant agreements, on such terms as he or she considers advisable, with the owners or operators of race courses in Ontario where live horse races are held."

OHHA suggests that the horse people should also be considered as signatories to any new agreement to fund the racing industry and that agreements would be made with all racetracks where live horse races are held. OHHA encourages government to ensure that horse people have sufficient funding to encourage reinvestment in the industry and to develop and monitor benchmarks in co-operation with the industry. Hopefully, this legislative change will allow the OLG to implement changes which are beneficial to both the racing industry and to the provincial treasury.

The Racing Commission Act, 2015, will see the regulation of horse racing transferred to the Alcohol and Gaming Commission of Ontario. OHHA has concerns about the adjudication process under the AGCO. There must be a clear procedural flow from allegation of wrongdoing through a judges' or stewards' hearing to an appeal of any charges that may be laid.

Under section 8(3), "The panel shall not inquire into or make a decision concerning the constitutional validity of a provision of an act or regulation." As well, number (4) indicates that "A decision of the panel under subsection (2) is final and not subject to appeal."

Both subsections (3) and (4), which are dramatically restrictive, can be satisfied by providing, as exists today, a right to appeal by judicial review to the Superior Court. It is critical that either licensees or the regulator have the opportunity to have all issues, constitutional or otherwise, considered thoroughly, even including the right to appeal, and thereby ensuring the participant reasonable decision-making.

Section 5(1): "Subject to the regulations, the commission, through the registrar, shall make rules for the conduct of horse racing in any of its forms." Horse racing rules require industry knowledge, and OHHA supports a consultative process which involves horse people, to make new rules or to amend existing rules.

Section 7 creates a Horse Racing Appeal Panel. OHHA supports member appointments of individuals

with a knowledge of horse racing in general. The bill also proposes to create a Licence Appeal Tribunal. It is unclear why there would need to be essentially two parallel appeal panels.

Section 12(3): “The applicant shall pay the reasonable costs of the inquiries or investigations or provide security to the registrar in a form acceptable to the registrar for the payment.” OHHA believes that applicants should not be responsible for paying for investigations or inquiries that are undertaken by the regulatory body. The word “shall” indicates that any time any due diligence or investigation is done on any applicant, there will be a payment required.

The Chair (Ms. Soo Wong): Mr. Tropea, I’m going to need to stop you here. I’m going to turn it over to the government. Mr. Milczyn, you may begin your questioning.

Mr. Peter Z. Milczyn: Thank you, Mr. Tropea, for your deputation this afternoon and for telling us about some of your association’s concerns.

I just want to make it clear that our government is committed to ensuring that the horse racing industry is sustainable and on a solid footing moving forward in this province. The legislation that’s being proposed today, if passed, we believe helps set that new foundation for moving forward.

We want to make sure there’s some possibility for the long-term success of the industry in this province. Certainly the linkage with OLG, Ontario Lottery and Gaming, is about creating a partnership where those with expertise in the promotion and marketing of gaming would be working hand in hand with your industry in promoting the industry better and creating more interest in the industry, which should bring more money into it. That is really the intent behind these amendments.

The linkage of the AGCO into it is about having a strong mechanism that would ensure the integrity of the industry with a proven leader in ensuring the integrity and safety around gaming and alcohol in the province.

My question to you is, do you think these types of new linkages are going to be beneficial to the industry, especially the one with OLG that’s designed to promote and market your industry more to the public?

Mr. Brian Tropea: Absolutely. I believe it will be beneficial, but it won’t fix the problem. Unless there’s a formal agreement that recognizes horse people in partnership in this deal, there’s not enough money coming to the industry. For two years, horse people have waited on integration with the OLG with the promise that there’s going to be increased funding to the industry at some point, and we’ve seen no evidence that that’s coming.

Mr. Peter Z. Milczyn: But this legislation is actually the implementation of that. It’s putting forward that we do want to bring the two pieces together, the horse racing industry together with the marketing and promotional excellence of OLG, formalizing that and ensuring that you’re working together. Is there any reason that you would think that this wouldn’t be positive? Also, do you have any comments on the role of the AGCO working together with your industry?

Mr. Brian Tropea: Again, my biggest concern is that all the language in the bill talks about having a partnership with the racetracks. It doesn’t mention having a partnership with the participants. The participants need to be recognized as a partner in this deal going forward to ensure that they’ve got secure funding to make business decisions five years, 10 years, 15 years down the road.

The Chair (Ms. Soo Wong): I’m going to need to stop here. Sorry, Mr. Tropea.

I’m going to turn to Mr. Barrett.

Mr. Toby Barrett: Thank you, Brian. I was certainly aware of the devastation in the horse racing industry, and there obviously still seems to be a lot of uncertainty, which can’t be good for business. You’re moving under finance and less under agriculture. We’ve seen this at the tobacco industry. It has not worked out well; finance does not understand tobacco.

With the grant program, as I understand it, the funding would come from OLG. It could be through Slots at Racetracks, but it could be through other gambling revenue, like scratch tickets or online gambling. Does this provide any confidence to people in the industry?

Mr. Brian Tropea: No, not really. Considering how the slots program ended, and we had an agreement where horse people were recognized in that agreement and made investments in infrastructure, horses and everything else that was required to have a racing stable—to have that pulled out from under their feet, without any formal recognition that horse people are going to have secure funding going forward in either of these bills, gives us no confidence.

Mr. Toby Barrett: The other worry we have is that it allows the minister to create a grant program. Our worry is that certain tracks may be guaranteed funds and certain other tracks may not receive any money. Our concern is this: Is there a setup here to pick winners and losers when this loss of control—

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Mr. Brian Tropea: I believe there has been a setup to pick winners and losers since the end of the Slots at Racetracks Program, and this doesn’t give me any confidence that that has changed.

Mr. Toby Barrett: Okay. Anything else you want to say?

The Chair (Ms. Soo Wong): You’ve got one minute.

Mr. Brian Tropea: Okay.

Mr. Toby Barrett: Just to wrap up, yes.

Mr. Brian Tropea: A couple of other things: “An investigator may exercise any of the powers described in subsection 28(2) without a warrant if the conditions for obtaining the warrant exist but by reason of exigent circumstances it would be impracticable to obtain the warrant.” It would appear that this section allows investigators extraordinary privileges outside of the normal court process.

“No person engaged in the administration of this act shall be required to give testimony in any civil proceeding.” So if an investigator did something, whether lawful or not, he would not provide evidence in a court.

And the last one that's most important, section 41(3): "Every individual convicted of an offence under this act is liable to a fine of not more than \$50,000 or to imprisonment for a term of not more than one year..." So violation of the AGCO act could lead to imprisonment of a participant for up to a year. OHHA obviously has serious concerns about that.

And integrity, transparency and accountability—

The Chair (Ms. Soo Wong): I'm going to stop you here, sir. I'm going to turn to Ms. Fife.

Ms. Catherine Fife: Brian, this is just one more hit, really. Your industry has been almost undermined at every corner by this government. The consultation process that would bring OMAFRA under the Ministry of Finance—were you consulted at all on this process?

Mr. Brian Tropea: No, none.

Ms. Catherine Fife: And do you think that your members are going to be well supported at all throughout this entire process?

Mr. Brian Tropea: Our supporters are pretty simple people. Our members are pretty simple people. They're out working in the barns or looking after their horses. They depend on people like me to be here presenting their case to people like you. I've been doing it for two and a half years now and, unfortunately, we haven't seen anything that would lead us to believe that there's a brighter future for horse people.

Ms. Catherine Fife: It really is incredible. For me, I'm the finance critic, so I follow the money. In 1998—you included this graph—the purses were \$82 million. They went up to as high as \$183 million in 2006, and now they're at \$92 million. So from 1998 to 2014, clearly your industry has come under great pressure from this government to comply with some sort of gambling agenda, if you will, for OLG. I want you to talk about the emotion that this is leaving for horse people in the province of Ontario.

Mr. Brian Tropea: As I said, most people are desperate and they're holding on because there's a promise of something better, but we haven't seen it. From the comments I'm hearing today about OLG helping to market and promote horse racing, I don't see that as another source of revenue to replace the one that was taken away from us.

Ms. Catherine Fife: Nobody believes what they're selling on that.

Do you want to talk about jobs?

Ms. Cindy Forster: How many jobs have been lost in this three-year period, since—

Mr. Brian Tropea: It's hard to quantify the actual number of jobs, but licensees in the industry—people who are actually licensed to participate in racing—on the standardbred side alone dropped from over 15,000 in 2011 to 7,000 in 2012. We know that trend has continued downwards. Definitely over 10,000 people have lost their jobs because of this.

Ms. Cindy Forster: And the purses in terms of 1998 dollars to today are less than you were actually getting in 1998, in terms of—

Mr. Brian Tropea: They've gone backwards, and there are actually less horses racing in the province currently than there were prior to the slots being implemented back in 1998, when the government, at that time, recognized the need to do something to sustain an important agricultural industry in the province.

Ms. Cindy Forster: How much time do we have?

The Chair (Ms. Soo Wong): We have no time, so sorry. Mr. Tropea, if you could submit anything in writing or you can leave it with the Clerk, we'd be happy to circulate that.

Mr. Brian Tropea: Okay. I brought 25 copies.

The Chair (Ms. Soo Wong): That would be great, if you could do that. Thank you very much, sir.

IMPERIAL TOBACCO CANADA LTD.

The Chair (Ms. Soo Wong): The next witness before us is Imperial Tobacco Canada Ltd. I believe we have two individuals, Mr. Charbonneau and Mr. Passmore. Welcome. As you heard, you have five minutes for your presentation followed by three minutes from each of the caucuses. This round will begin with questions from the official opposition.

When you begin, can you please identify yourselves for the purpose of Hansard, and you may begin at any time.

Mr. Sébastien Charbonneau: Good afternoon and thank you for the opportunity to address Bill 144 in front of you today and, more specifically, our comments will be around schedule 21. My name is Sébastien Charbonneau. I'm director of corporate and regulatory affairs and government and regulatory affairs with Imperial Tobacco Canada. I'm with Mr. Leon Passmore.

Mr. Leon Passmore: Good afternoon. My name is Leon Passmore. I'm the manager of leaf accounts for Imperial Tobacco Canada.

At the beginning of 2015, the Ministry of Finance actively began the oversight of all styles of raw leaf tobacco in Ontario. Previously, this responsibility was held by the Ontario Flue-Cured Tobacco Growers' Bargaining Board for flue-cured tobacco only. The Ministry of Finance oversight now applies to all aspects of the raw leaf tobacco supply chain in Ontario.

Raw leaf tobacco is the principal building block for all tobacco products, legal and illegal. The question for you is, how do we ensure that raw leaf tobacco in Ontario does not fall into the wrong hands? The changes in Bill 144 will go a long way in this regard.

By way of background and context, yield is the main indicator to measure farm output. Yield is tobacco sold divided by the acres it takes to grow it.

With existing controls and information, we have been able to determine that there's a consistent gap between the reported yields and the actual yields for some growers. As a result, there is tobacco that is making its way into the supply chain that is unaccounted for, reaching the black market as contraband tobacco. The legislation before this committee will help track raw leaf tobacco

grown in Ontario and disrupt the supply side for the illegal operators.

First and foremost, the application of an identification record for raw leaf tobacco which extends to every aspect of the tobacco value chain will make it harder for raw leafs to operate outside the system. Recordkeeping features proposed in the bill will improve traceability as raw leaf flows through the different levels of the supply chain and will help to prevent raw leaf from being diverted to facilities that process and manufacture contraband products.

Clarification to rules for seizure and destruction of raw leaf tobacco will help ensure tobacco originally destined for illegal operators will not get there. Finally, increased penalties will provide a strong deterrent to all levels of the raw leaf supply chain to step outside of the law.

Overall, the changes identified are welcome. However, there are opportunities where additional improvements could be of value.

First: The annual measurement of the Ontario tobacco crop is critical. This can be strengthened by adding key checkpoints at key times during the growing season that will provide estimates on the projected volumes to be harvested by each grower. Expand the information provided on the field maps submitted by each grower to identify all crops grown on the farm, thus helping to prevent rogue tobacco fields from going undetected.

Second: Expand the definition of yield to include all cured or dried tobacco harvested by the farming operation. Currently, only marketable tobacco sold to a registered buyer is used to determine yield. The remaining tobacco that is of no interest to the registered buyer can still be of value to other interested parties and make its way into the contraband market.

Third: There could be transportation permits required that would help track raw leaf tobacco movement within the province of Ontario, making it harder for illegal operators to access it and help prevent loads from reaching illegal operations.

Thank you, and we'd welcome any questions that you may have.

The Chair (Ms. Soo Wong): Wow, that's great. Thank you very much. I'm going to turn to Mr. Fedeli or Mr. Barrett.

Mr. Toby Barrett: Thank you, Imperial. You know the tobacco business very well. I represent most of the tobacco farmers in Canada. We see attempts here—in my view, things have not worked out very well once finance took over the surveillance and checking of farmers' acreages and yields and what have you. You mention a number of things that could be done: additional key checkpoints, transportation permits and things like that.

The Ontario Flue-Cured Tobacco Growers' Marketing Board was initiated in 1957 and seemed to do a fairly good job over 50 years. It was a farmer board, run by farmers—elected. I felt it was a very good organization. They seemed to have control of the growing of the crop. Do you really have confidence that Ministry of Finance enforcement people can go out in the fields, even with

some of these new powers, and accomplish what the board accomplished over the last 50 years as far as having a handle on what's going on out there in the field?

Mr. Leon Passmore: I think the Ontario Flue-Cured Tobacco Growers' Marketing Board was vital in the last 50 years of tobacco management. Unfortunately, the board could only go so far up the supply chain. They were mainly responsible for the production and marketing of flue-cured tobacco in Ontario.

As I mentioned, the Ministry of Finance now oversees not only flue-cured but also burley tobaccos and dark tobaccos that are also grown in Ontario.

To your point on the Ministry of Finance: Unfortunately, we feel that the 2015 crop, for oversight, has been a missed year, if you will.

Mr. Toby Barrett: I'm sorry?

1650

Mr. Leon Passmore: It has been a missed year for oversight.

Part of the challenge for the Ministry of Finance is that the advantage the board had was that they were agricultural based. They worked under the Ontario Farm Products Marketing Commission; they understood agriculture, of course. But for the Ministry of Finance there's a steep learning curve for them in this sector. I think that's the biggest challenge ahead of the Ministry of Finance at this point: to gain the understanding of the industry and agriculture.

Mr. Toby Barrett: Do you think this will go far enough? In my view, there's no way the legal trade can compete with the illegal trade. Whether you are a farmer, a processor, a manufacturer, a retailer in a corner store or an advocate of health promotion, there's no way you can compete with this illegal trade, which has that competitive advantage. It's a very highly taxed item. We're dealing with people who pay zero taxes. Do you think we're just beating around the bushes here?

Mr. Leon Passmore: We're doing the best we can with the opportunities but, unfortunately, as you mentioned, the unlevel playing field does give them a distinct advantage but it also encourages people to get involved in that side of the sector.

Mr. Toby Barrett: Yes. It's not good.

Mr. Sébastien Charbonneau: And if I may add, attacking contraband requires action on both the supply side and the demand side, so when this committee sits again and reviews the next provincial budget, we will be happy to come back and discuss our views for the demand side.

The Chair (Ms. Soo Wong): Okay. You can come back in January to talk about that. I'm going to turn to Ms. Fife.

Ms. Catherine Fife: I'm going to give you an opportunity to talk about it right now, because that has been the consistent theme. I've been here for only three years, and at every budget time, the industry has said to this government that in order to fight contraband tobacco, you need to have resources to do so. Bill 144 does not address that.

This is a growing issue. It's not just about profit margins and about profit lines, it's about the overall health of the entire province. I want to give you the opportunity to talk and put on the record right now, as it relates to Bill 144, the need for enforcement and the resources that are needed to do so properly.

Mr. Sébastien Charbonneau: Well, again, the purpose of our remarks today was to acknowledge and improve some of the measures to control raw leaf, but you are correct. There are also additional measures to tackle the supply, and enforcement is a key element and resources for proper enforcement is key.

We understand that there is some willingness and there is a bill—Bill 139, if I'm correct—that has been introduced recently by Mr. Smith that brings up some very interesting avenues to further enforce the traffic of illegal tobacco in the province of Ontario, which is known to be linked with organized crime and therefore is one of the biggest threats for proper tobacco control policies that the Ontario government will—

Ms. Catherine Fife: Okay. So let me get you on the record, then. You haven't had a chance to read the AG's report today that just came out at 11:45 a.m., but the Ministry of Finance now is going to have oversight to track these bales of tobacco, the so-called bean-counters, if you will. This is your opportunity to get any concerns that you would have for the Ministry of Finance to track bales of tobacco going through the province of Ontario. This is your chance.

Mr. Leon Passmore: I think that's a challenge that is faced by the Ministry of Finance. With the resources that they currently have they cannot do a good job of that. I think, moving forward, they need to have, if you will, boots on the ground. They need to have a better presence and they need to and I would recommend that they engage with the industry on an ongoing basis to try to come up with a framework in which we can address some of these lingering issues around the enforcement of illegal tobacco.

The Chair (Ms. Soo Wong): Okay, Mr. Passmore, I'm going to stop you here. I'm going to turn to Ms. Albanese for the government side.

Mrs. Laura Albanese: Thank you for being here this afternoon and for your comments on Bill 144. Now, as you mentioned, the government has started to take some steps in order to become more effective in combatting contraband tobacco and I guess that 2015 could be seen as a transition year, as you mentioned. We've been working co-operatively with the growers. We're starting to make sure that they're all registered and we're trying to do that in a co-operative way.

Now, this bill, as you mentioned, proposes specific amendments to the act. In particular, it will require the labels to be affixed to the bales and to the packages of the raw tobacco and it will require monitoring so that we can track the movement.

In your opinion, what effect will these measures, if properly enforced, have on the flow of contraband tobacco across Ontario? Can it make a good dent, in other words?

Mr. Leon Passmore: Can it make a good dent? I think it will make a dent. Again, the labelling process was in place two years ago. Actually, last year was the first year that the labelling did not take place.

The enforcement side, the boots on the ground—but also the transportation checks to make sure that the tobacco that is flowing through the supply chain is flowing in the right direction, to the proper destinations. I think this is a challenge, because on the farms, even though you have a labelling process in place, you're assuming that all the bales will get labelled. This is where enforcement and resources are required, to ensure that that actually takes place. We have found—and we've seen it first-hand—that growers will actually skim the crop, as we call it. They will take a 700-pound bale of tobacco that's worth \$1,500 and they will sell that into the black market, out the back door, for the equivalent of close to \$5,000 to \$6,000.

Mrs. Laura Albanese: And that's why you're suggesting also that we measure the crops and the volume—

Mr. Leon Passmore: Absolutely.

Mrs. Laura Albanese: —and identify all crops, I think is what you're suggesting.

Mr. Leon Passmore: Yes. If I could just make a suggestion, if I may, I think going forward that this will be a constant evolution. There will not be one thing that will solve all the problems. It's going to be constant evolution. I would strongly encourage the Ministry of Finance officials to engage with the industry, with the growers, to have a forum established so that we can continue to address and discuss these issues as we move forward, year over year.

Mrs. Laura Albanese: Thank you.

The Chair (Ms. Soo Wong): All right. Thank you very much, Mr. Passmore and Mr. Charbonneau. Just so you know, we are going to be beginning pre-budget consultations next month. You can follow up with the Clerk.

Mr. Sébastien Charbonneau: Thank you.

ONTARIO CAMPAIGN FOR ACTION ON TOBACCO

The Chair (Ms. Soo Wong): Our next witness is the Ontario Campaign for Action on Tobacco: Mr. Perley. Welcome, Mr. Perley. It's good to see you again. As you heard, you have five minutes for your presentation, followed by three minutes of questioning. This round of questioning will begin with the third party. You may begin at any time. Please identify yourself for the purposes of Hansard.

Mr. Michael Perley: I'm Michael Perley. I'm director of the Ontario Campaign for Action on Tobacco. On behalf of our partners, the Canadian Cancer Society's Ontario division, Heart and Stroke Ontario, the Non-Smokers' Rights Association, and the Ontario Medical Association, I appreciate the opportunity to be able to provide a few comments on the proposals in schedule 21 of Bill 144.

Management of Ontario's raw leaf tobacco crop was first proposed in 2012 and implemented beginning in January of this year. Management of this crop is extremely important to the control of contraband tobacco, especially since—and you may not be aware of this—the size of the crop has more than doubled in the past few years, from 23 million pounds in 2008-09 to 61 million pounds in 2014.

This doubling—or, really, nearly tripling—occurred as a result of the federal government's buyout of the tobacco-growing quota system in 2008, and replacement of this system with a process under which growers could contract directly with manufacturers for certain quantities of tobacco leaf. On production of a contract with such a manufacturer, farmers could then proceed to grow as much as the manufacturer ordered.

This growth in the crop size, accompanied by little oversight or management until the raw leaf management system came into effect this year, has naturally led to more raw leaf being potentially and actually available for the manufacture of untaxed product by unlicensed manufacturers.

The Ontario Campaign has strongly supported implementation of the raw leaf management system, and we welcome the strengthening amendments to that system contained in schedule 21.

We do have a few comments and questions about the system as it will function following implementation of schedule 21, as follows.

There are a significant number of new fines proposed for breaches of the schedule. We have been concerned for some time about two issues regarding fines in the broad area of contraband tobacco control: collection of these fines, and the inclination of some courts to reduce them, depending on the circumstances of the accused.

In one example, and admittedly, this is from a few years ago, of the nearly \$30 million—\$29.3 million, to be exact—owed in provincial offences fines for all categories of offences to the united counties of Stormont, Dundas and Glengarry at the end of 2011, fines regarding smuggling of contraband totalled \$13.7 million of the \$29.3 million total. And of all the fines that were then outstanding, nearly \$24 million in total of the \$29 million was in default.

1700

I note this as an example of the challenge that can be faced in collecting fines. The Ontario Campaign strongly encourages the government to put whatever enforcement resources in place that are necessary to ensure that any fines under the contraband control regime, including the raw leaf management system, can be collected.

Concerning the markings that are required on bales and packages of tobacco, we're not clear if there are any security features incorporated into these markings that would avoid counterfeiting. It is not unreasonable to suppose that some efforts may be made to counterfeit the markings on bales and packages of raw leaf tobacco. Security features in the markings, similar to features now contained in tax labelling on cigarette packages, would help address this issue.

We also recommend that the marking system for raw leaf tobacco be extended to manufactured products, and that each cigarette sold in the province of Ontario have a tax-paid marking applied to it. This would help enforcement personnel distinguish untaxed from taxed product and assist in the control of the spread of contraband.

Finally—although this comment does not bear directly on schedule 21, my partner has asked me to include it—we urge the committee to consider a refund/rebate system for tobacco sold on reserve, similar to the system that is now in place for gasoline sold on reserve.

Thank you for your attention. I'd be happy to answer questions.

The Chair (Ms. Soo Wong): Thank you, Mr. Perley. Ms. Fife?

Ms. Catherine Fife: Thanks very much, Mr. Perley. You've actually come to the finance committee for the last three years, and you've raised the issue, primarily around enforcement on this issue. But this is the first time, if I'm not mistaken, that you've actually raised the issue of the refund/rebate system for tobacco sold on reserve. Do you want to talk a little bit more about that? It's an interesting idea.

Mr. Michael Perley: Well, in a nutshell, the refund/rebate system would operate very much as for gasoline sold on reserve, where a price is paid at the time and the retailer gets a rebate on tax, but the tax is paid at the time. So the retailer is in a position that's quite different from anyone who would want to sell tobacco on reserve at the moment.

We raise this in the context of the review of the allocation system that's now under way. The allocation system is the system which was established more than 20 years ago, with numbers from that period as its basis, to determine what amount of tax-free main-brand product should be given to folks on reserve without any tax being paid on it. That system has been in place with a formula based on an assumed smoking age of 16—prevalence figures from the day, which were not the same at all as they are today—and some other details that, again, don't bear on today's population or circumstances.

This system is now under review. One way of reforming it or, really, replacing it with a system that would be more effective, we think, would be a refund/rebate system. It's in operation in Quebec. It's in operation in Saskatchewan. There's a real-time version of it operating in Saskatchewan. Someone goes on reserve; they want to buy tobacco. I believe they have a card or a licence, and they provide it. They—

Ms. Catherine Fife: So essentially it flushes out the underground economy, if you will, the contraband.

Mr. Michael Perley: It would certainly very much help to do that.

Ms. Catherine Fife: And that would be good for the government, because it actually would generate a little bit more revenue as well, because it's sort of flushing out those tax dollars, potentially, that just never make it back to Queen's Park.

Mr. Michael Perley: Right. The question is, though, what would be the status? That would be true for main-

brand product—Player's, du Maurier, what have you. I'm not sure what the status of Grand River Enterprises' manufactured product would be—

The Chair (Ms. Soo Wong): Mr. Perley, I'm going to stop you here.

Ms. Catherine Fife: I suspect we'll see you back here at finance asking for funding for enforcement.

The Chair (Ms. Soo Wong): All right, I'm going to turn to the government side. Ms. Hoggarth.

Ms. Ann Hoggarth: Thank you for your presentation, Mr. Perley. I thank you on behalf of all people in Ontario for the work that your association has done in trying to keep areas smoke-free and working for public place bylaws and also advocating for the passage of provincial second-hand-smoke protection legislation. Those things are very important and we thank you for your work on that.

The Ministry of Finance has been working co-operatively with the growers and others that deal with raw leaf tobacco in Ontario to ensure that they are registered. The amendments in this bill will further enhance oversight of a raw leaf tobacco regime, and better enable the government to directly address the issue of contraband tobacco. The government does remain committed to working with the stakeholders on enhancement of raw leaf tobacco oversight to ensure its effectiveness.

I just wanted to ask you: How do you believe these legislative amendments fit in with last year's changes to the raw leaf oversight regime?

Mr. Michael Perley: I think they're logical extensions of it; I think they're welcome in that sense. We need to make sure that we have a system where not only is there a tracking mechanism set in place, but that tracking mechanism has features like security of labelling and so on which make it clear that enforcement personnel have the means to determine not only whether a bale is marked or labelled, but is that label one that someone has made in their backroom or is it a label that is an approved one, with security features that can be identified?

I think the process of tracking not just the bales themselves, but who transports them and how they transport them, is extremely important. It's my understanding that no one can transport any tobacco under this regime in Ontario, whether coming into Ontario, going out of Ontario or moving around within Ontario, that is not registered with the ministry. So while it will take some time to get that system fully up and running, I think that will be very helpful.

On the larger issue of contraband, if I could just say this: One thing that we are missing and have never had is a really effective public education campaign. I think the main brand tobacco industry would have you believe that somehow—and their ads have stated this in so many words—their products, because they're regulated—they don't dare use the word "safer"—are better than contraband on the one hand. On the other hand, we have some young people who think that contraband is better because it doesn't have any additives in it, as if it's the additives in main brand products that kill you, as opposed to the

tobacco. Demystifying the issue of contraband in those two directions, and perhaps others, would be very useful. We have had no public education on contraband to speak of province-wide since the problem began.

Ms. Ann Hoggarth: Thank you for your insight.

The Chair (Ms. Soo Wong): Okay, Mr. Perley, I'm going to turn to Mr. Barrett.

Mr. Toby Barrett: Thank you, Michael. We've certainly had a lot of discussions on these committees.

Mr. Michael Perley: We certainly have.

Mr. Toby Barrett: How many years have you been testifying?

The Chair (Ms. Soo Wong): Many.

Mr. Michael Perley: My son wasn't born, and he's 15.

Mr. Toby Barrett: Yes, I was going to say 15. I think I can recall some of the discussions—

Mr. Michael Perley: It's probably 15-plus, I think.

Mr. Toby Barrett: —15 years ago, and the Smoke-Free Ontario Act.

The Chair (Ms. Soo Wong): Probably 20 years.

Mr. Michael Perley: Yes, 20-plus.

Mr. Toby Barrett: You know the subject very well.

The issue at hand, in my view: illegal tobacco, contraband tobacco—kind of the good guys and the bad guys. The good guys aren't organized, the bad guys are organized, and you know a bit about that.

My little constituency office in Simcoe—just a few weeks ago, a reporter from Reforma in Mexico City shows up at my little office to interview me, and a film crew came up from Mexico. They're interviewing me. They dropped taxes in Mexico; they're being flooded with tobacco from Ontario, as you may know.

This summer, a film crew came into my little constituency office—I don't know how they found me—from Guatemala. They're flooded by illegal tobacco from the province of Ontario. A film crew came to my office last summer from Costa Rica to do a documentary on Ontario tobacco that's going through Latin America. It's right out of control, and Ontario is now a key player in this international black market trade of trafficking in tobacco.

We've been having these discussions for 15 years. I have a feeling it's getting worse. I was astounded. What is our product from down here—some of it is coming from my farmers; it's coming from North Carolina, here, and then back down.

Where are we going to be 15 years from now or five years from now? We're dealing with certain groups on the criminal side. What goes on down there would make what's going on up here a teddy bears' picnic. Whatever's going down, something's coming back. Any comments on that?

1710

Mr. Michael Perley: Well, I'm certainly aware of the organized crime issue and there's involvement there. To put it bluntly, I'd be very interested in knowing what the names of the products are that are showing up in Mexico.

Mr. Toby Barrett: DK's, Sago and Putters are three of the brands.

Mr. Michael Perley: Right, and we know who they're manufactured by, which is Grand River Enterprises.

Mr. Toby Barrett: We do know and sometimes we don't mention these names because this is serious business.

Mr. Michael Perley: Let's call a spade a spade. That's who manufactures the products. For some of them, the same names are used by manufacturers on the US side of Akwesasne; we know that. There's litigation against GRE, so we can't really get into this at all. It's not peach-banded Players, du Maurier and Rothmans that are showing up; it's these products.

How we deal with that very large source of untaxed product, I think, is the name of the game, going forward. I don't think anyone has an answer to that yet. When the litigation is completed and it's clear how the province can relate to and deal with that situation, we'll know better. But, unfortunately, we're stuck with that situation right now.

We also have, though, a lot of smaller illegal manufacturers, or unlicensed manufacturers is perhaps a more correct term. I think that's where a lot of the benefit of the raw leaf system comes in. I think it's possible to choke off the supply to them a little more easily perhaps than it is to the largest manufacturer. That's just a supposition on my part. I'm not sure, but that's what it sounds like.

We always need more enforcement. One thing that's coming up is cross-designation of public health officials for the purposes of enforcing the Tobacco Tax Act. That will put a whole bunch more boots on the ground. All the public health inspectors who are tobacco enforcement officers, following a pilot project that's starting in January, we hope will be able to help enforce the act. So that helps address the boots on the ground issue—

The Chair (Ms. Soo Wong): Mr. Perley, we thank you for your presentation and your written submission. Thank you.

ONTARIO PUBLIC SERVICE EMPLOYEES UNION

The Chair (Ms. Soo Wong): Our next witness before us is OPSEU: Mr. Thomas and Ms. Davis.

Welcome, sir and madam. As you heard, you have five minutes for your presentation—I believe the Clerk is coming around with your written submissions—followed by three minutes of questioning from each of the parties. This round of questioning will begin from the government side.

You may begin anytime. Please identify yourselves for the purpose of Hansard. Thank you.

Mr. Smokey Thomas: I'll talk fast. Good afternoon. My name is Smokey Thomas and I am the president of the Ontario Public Service Employees Union. With me today, I have Sister Denise Davis. Denise is the chair of the liquor board employees division of OPSEU.

On behalf of the 7,000 members who work at the LCBO, we thank you for the opportunity to comment on

the changes to the Liquor Control Act proposed in Bill 144.

Back in May, Denise told this committee of our union's concerns about the government's plan to allow up to 450 grocery stores to sell alcohol. We pointed out that alcohol is not just another consumer product; it is a controlled substance that our members have a long and proud history of handling and selling responsibly. We said the government's plan will have far-reaching effects on the health, safety and well-being of Ontarians for decades to come.

Since we made that statement, alcohol researchers have been able to estimate a potential consequence of the government's plan, and it is a tragic consequence. Alcohol researchers in BC examined the relationship between alcohol-related deaths and the density of private liquor stores in that province between the years of 2003 and 2008.

Based on the BC findings, the Centre for Addiction and Mental Health—CAMH—estimates that adding 450 private alcohol outlets could cause 100-plus deaths per year in Ontario. I urge all members of the committee to review the studies and documentation, all publicly available on the Web, and they're added in our kits today.

The fact is, there is strong evidence that government monopolies do a better job of minimizing public health and safety consequences than privately owned stores. There will be a human cost to the government's plan to privatize alcohol sales. Our union urges this committee to consider the human costs ahead of the profits that will flow to big grocery chains such as Loblaws, Sobeys and Walmart.

Now, I will turn my attention to the government's changes to the Liquor Control Act. Bill 144, currently before this committee, builds on previous changes.

First there was Bill 91, passed in June, which added a new clause making it possible for grocery stores to be authorized to sell liquor to the public. Then there was Ontario regulation 290/15, filed by the government in September. It outlines the criteria that grocery stores must meet to sell beer. Most of the details are familiar from the government's September 23 announcement.

There is one element the government neglected to be open about: No authorization will be issued to a retail store that is within 10 kilometres of an agency store. This clause has the effect of protecting the sales of privately owned and operated agency stores from the big grocery chains.

One might reasonably ask: Where is the rule prohibiting grocery stores, or agency stores for that matter, from being within 10 kilometres of an LCBO store? After all, the LCBO is owned by the people of Ontario and is operated in their best interests. The answer is that there is no such rule protecting an asset of the people. Once more, we see the government putting private profit ahead of the public interest.

Finally, we have the amendments contained in Bill 144. A new subsection will be added to the Liquor Control Act banning the release of grocery stores' liquor

sales information to anyone outside of government. The sales information will be deemed “financial and commercial information,” supplied in confidence to the government institution, and shall not be disclosed.

The new subsection will prevail over the province’s freedom of information legislation. This means nobody outside of government, such as media organizations, opposition MPPs, alcohol policy researchers and our union, will be able to independently verify that grocers are paying what they owe to the people of Ontario should they exceed their share of the global sales cap of \$450 million.

In conclusion, sort of, our union urges this committee to vote down the amendments to the Liquor Control Act included in Bill 144.

Just two more things: On May 11, 2016, Denise is lead-handing and chairing an alcohol policy symposium here in Ontario. Health care providers, social policy groups and other LCBO unions from across the country are going to convene, and we will be issuing invitations to all MPPs in this House, from all three parties, if you wish to attend. We think it would be a must to attend, or to at least have some people from your party there.

Further, just as an aside, our union urges you to vote down the amendments to the Labour Relations Act that would allow EllisDon to opt out of a legally binding labour agreement.

We’d be pleased to take your questions now.

The Chair (Ms. Soo Wong): All right. I’m going to turn to the government side. Mr. Baker?

Mr. Yvan Baker: I’m just going to start with the EllisDon labour agreement that you spoke to. I’m sure you can appreciate that this situation is really an anomaly in the province, and I think it was important that we rectify the situation and level the playing field in terms of the construction industry, which is our intention with this legislation.

As you are probably aware, renowned mediator Kevin Burkett was asked to bring each party together to reach an agreement, which they did. Unfortunately, not all parties ratified that agreement. Mr. Burkett did, however, provide us with a roadmap for solving the problem, and we believe that the recommendations that he put forth to us offer a practical and fair solution to this anomaly.

Again, it’s about levelling the playing field. It’s about doing what’s fair. I just wanted to make sure that you understood where we were coming from on that one.

With regard to the issue that you spent most of your time on, which is the sale of alcohol, I can tell you that selling alcohol responsibly is something that I think we all take seriously. I take it very seriously. I’ve been touched by this issue in my own family and I understand how important that is.

I think I’m aware because of my personal experience, but I think others are aware of the tragic toll that alcohol abuse can take. This includes drinking and driving. This includes the impact on families, communities and society as a whole.

The province is continually building on its efforts to raise awareness of the risks that I’ve just talked about

with the misuse of alcohol. As committed in the 2015 budget, we’ve mandated in law requirements related to the socially responsible sale of alcohol for any new retailers, including things such as restricted hours of sale, rigorous training for staff and things like this.

I know from my own personal experience, where I’ve studied this issue in the past, prior to my being in elected office, that these measures can be effective in other jurisdictions, as well.

Do you believe that these measures will help with ensuring that social responsibility requirements stay in place?

Mr. Smokey Thomas: No—yes and no. I’ll talk to the no part.

1720

There’s ample evidence to demonstrate that as alcohol consumption increases, what we call the alcohol deficit increases as well. What that means is that all the money that the government makes on alcohol sales, be it through taxation, profits from the LCBO, whatever the Beer Store gives them and all that kind of stuff, that amount of money collected does not equal the amount of money that society spends on the side effects of alcohol such as court costs, social costs from family break-ups, car accidents, trips to emergency, intensive care and all those sorts of things. Treatment of the health effects of a lifetime or even a quarter of a lifetime of alcohol abuse or whatever can be very significant. That costs society more than what they make.

The evidence shows—this is CAMH, a well-respected group. This isn’t OPSEU claiming this; this is good, valid research. All we’re asking is for the government to carefully consider—I heard what you said and I agree about selling it in a socially responsible manner. Where we would part company is that we don’t think that expanding it into grocery stores comes to that end.

I’ve done some research. I had a researcher look at it. Beer sales in Ontario are shrinking; they’re losing market share, if you will. So one way to get your market share back is to increase the sales. In my opinion, it’s more about giving the Beer Stores—the brewers want to get their market share back.

The Chair (Ms. Soo Wong): Okay, Mr. Thomas, I’m going to turn to the official opposition. Mr. Fedeli?

Mr. Victor Fedeli: Thank you very much, Smokey, for your presentation. I’ve got two areas to approach. One, I always chuckle when the government talks about, “This is the most exciting and revolutionary news since prohibition.” I drive down to Nipissing township and you can stop at Young’s gas station and groceteria and they have a hand-painted sign, “Beer and wine for sale.” It’s hand-painted on the highway. Or you can go the other way and drive to Eldee, Ontario. At the gas station there they sell beer and wine as well. There are 218 outlets outside of Toronto that we think of. So I can never imagine why selling a six-pack in a grocery store is now all of a sudden called revolutionary and exciting. But you talked about how Ontario needs an alcohol strategy, so I’m going to ask you about that.

Then also, I'm more interested in your thoughts on the section that it becomes financial and commercial information. We're never, ever going to know, again, much like Hydro One, what the truth is. So I'll look for your thoughts on that. You've got two minutes. Go.

Mr. Smokey Thomas: I'll get Denise to jump in if she wants, but the alcohol strategy—what we think is needed in Ontario is what brings everybody together who has an opinion on it. A lot of these are very learned opinions. We take our lead as a person and as a union from CAMH, world-renowned researchers in addictions and mental health. They go hand in hand. We take our lead from there.

What we're saying is the province should have a strategy which will cover off all the social evils of alcohol, if you will. You know, 99% of people can have a few drinks and be fine, but it's for the group that can't. That alcohol policy would be something that would be a roadmap, a guide, if you will, for the province into the future. Because we think the 60 stores are just a start, right?

Mr. Victor Fedeli: And the other side?

Ms. Denise Davis: In your booklet there is a pamphlet: Why Ontario Needs a Provincial Alcohol Strategy. We've been working with various medical groups. They want to put together a provincial alcohol strategy and talk to—you know, the folks who can make decisions in the province are very concerned. That's why we've organized this health symposium. You can see the letterhead: CAMH, the Canadian Mental Health Association, MADD, RNAO, the Canadian Centre on Substance Abuse. They're the front-line groups that are working with people who have addiction problems and they can see this for—

Mr. Victor Fedeli: And a comment on the freedom of information side of the data?

Mr. Smokey Thomas: Well, it's just one more way of hiding information on money that should have rightly gone to the taxpayers. I've always said wherever there is a taxpayer's dollar involved, it should be open and transparent. How do you confirm whether they go over the limit or don't go over the limit? There's no way then of verifying; right?

So I always operate on, "We accept, but want to verify," and that takes away that opportunity to verify.

The Chair (Ms. Soo Wong): Okay. I'm going to turn to Ms. Fife or Ms. Forster.

Ms. Cindy Forster: So not unlike Hydro One and no oversight by any of the legislative officers as of a couple of weeks ago, it looks like there will be no Auditor General oversight, of this portion at least, of the liquor sales in this province.

So as we see, perhaps, revenues decrease at LCBO or jobs lost in the LCBO sector, there will be no way to monitor or review that if we don't have access to that restricted information in the private sector.

Mr. Smokey Thomas: Yes, exactly. We call that the democratic deficit. That's increasing in this province. We would also submit that that's money—there's no need to

privatize. Like Vic said, you can buy it in lots of places now, so we still don't see the need.

The government can stop selling hydro shares. They don't have to sell any more. They could do a referendum, and the government doesn't have to—I'm not aware they've signed leases or anything, or legal agreements. But even if they have, don't go beyond what they've already done. So do it small, see how it works, study it and go slow about it. It's a big change in Ontario.

But I still think the whole beer-in-grocery-stores thing is all just a diversionary tactic to keep our minds off other things.

Ms. Cindy Forster: It's interesting, because I actually sat on the LCBO review a couple of years ago with the member from Hamilton Mountain. We did that review and we went to a few places across the province, and there wasn't really anyone who made presentations with us—I think we visited three different areas of the province—who was actually in favour of anyone selling alcohol or beer outside of the LCBO, with the exception of some small rural areas where they might not have—

Mr. Smokey Thomas: They don't have service.

Ms. Cindy Forster: —access to an LCBO, right? So they talked a little bit about having maybe like a wine store on a main street in small-town Ontario to actually highlight local wineries.

So who's making the decisions here?

Mr. Smokey Thomas: It's not social policy. It's just being driven, I believe, out of the Premier's office or perhaps Deb Matthews's office. It's hard to figure out who's running things.

Ms. Denise Davis: Am I able to ask the folks a question?

The Chair (Ms. Soo Wong): No. I'm sorry.

Ms. Cindy Forster: Do I have any time left?

The Chair (Ms. Soo Wong): No, sorry. Thank you very much. That's three minutes.

Thank you very much, Ms. Davis and Mr. Thomas, for being here and for your written submission.

MR. TOM ADAMS

The Chair (Ms. Soo Wong): Our last witness is Tom Adams. Mr. Adams, welcome. As you heard, you have five minutes for your presentation, followed by three minutes of questions from each caucus party. You may begin any time. Please identify yourself for the purposes of Hansard.

Mr. Tom Adams: My name is Tom Adams. Thank you, Madam Chair and members of the committee, for an opportunity to appear once again before this committee, this time to address Bill 144, the Budget Measures Act.

My remarks focus on two issues, both arising from proposed changes to the Electricity Act contained in Bill 144. The issues of concern relate to transparency of government electricity accounts and impacts of this legislation on future municipal government tax revenues.

The legislation would repeal sections 85(2) and 85(6) of the Electricity Act, along with related sections. This

means that the Minister of Finance would no longer be required to report the value of an account called the residual stranded debt held by Ontario Electricity Financial Corp., or OEFC, or to announce when the residual stranded debt had been defeased, or basically paid off.

Of course, successive Ministers of Finance have ignored the requirements to report on the status of the residual stranded debt contained in the existing legislation and only grudgingly complied when called on the carpet by the Auditor General in that agency's 2011 report on stranded debt. Notwithstanding the fact that successive Ministers of Finance have ignored the requirements to report publicly on the status of the government's electricity debts, the original Electricity Act requirements in this regard enshrined an important principle: The public ought to be entitled to regular accounting of the status of our electricity debts. Instead, a new veil of darkness is coming across these accounts.

OEFC was initially constituted under Mike Harris as a financial instrument dedicated to winding down the old Ontario Hydro debt. Sadly, the Harris government did not make provisions for OEFC to report its revenue projections, an accountability gap that allowed mischief to ensue. Without disclosure, the Ontario Liberals have gradually subverted the purpose of OEFC, turning it instead into an unfocused, unaccountable, non-reporting government electricity bank with authority to borrow on behalf of and to dole out money to government pet projects.

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Major elements of OEFC's financial statements are now directly contradicted by actions this government is taking. Far from clearing the air to protect future customers, the government is instead seeking to reduce transparency. I plead with the Auditor General and the Financial Accountability Officer to ensure transparency over the situation developing at OEFC.

Bill 144 will also repeal section 92(4) of the Electricity Act. That section originally would have redirected the flow of municipal taxes back to municipalities and away from OEFC once that portion of OEFC's liabilities called the residential stranded debt was paid down. You will remember that the residual stranded debt was part of OEFC's debt that the government claimed all along was being paid off through the debt reduction charge we all pay on our electricity bills. Taking in about a billion dollars a year for more than 13 years, far more has been collected from that tax than the initial \$7.8 billion of principal plus interest.

After Bill 144, the flow of tax revenues once earmarked for municipalities will never reach those municipalities. This stripping of income from municipalities is obviously driven by the government's need to fill the hole coming in OEFC's income, caused by the sale of Hydro One. It is a reflection of the reality that the government's electricity investments are more than 100% mortgaged. There is no windfall to be had from the sale of Hydro One.

What all this means is that this government's signature initiative—to claim a windfall from the sale of Hydro One—is to be achieved in part by seizing revenues from another level of government. Shifting tax revenues from one level of government to another is hardly a winning strategy for building transit—

The Chair (Ms. Soo Wong): Mr. Adams, can you wrap up? Because your time is up.

I'm going to turn to Mr. Fedeli. You can begin the questioning.

Mr. Victor Fedeli: Thanks, Tom, for a wonderful presentation. I want to pick up where you left off. I'm going to read a sentence from AMO as well, from a document submitted to us: "AMO is very concerned about the changes to the Electricity Act which appear to divert payments in lieu of taxes, or PILTs, from municipal governments once the stranded debt is retired."

That's exactly what you just said as well.

Mr. Tom Adams: Their statement is correct.

Mr. Victor Fedeli: Do you have any idea of the magnitude of dollars here? AMO did not report any money. Do we have any guesstimate or estimate? What kind of dough are we talking here?

Mr. Tom Adams: I don't have that at present, but I'm working on it and will publish it.

Mr. Victor Fedeli: You're working on a number? Okay.

Obviously, we believe the stranded debt, like I believe you think as well, was paid off before 2011. I'd said this earlier, in a deputation, that the auditor in 2011, the former auditor, said \$8.7 billion was paid in 2011 for a \$7.8-billion debt. At that time, he asked then-Minister Dwight Duncan to report within three months. Of course, the minister left, so we never did get that report, and that was four years ago.

Are you familiar, then, with the spike in 2004, where the debt retirement charge was \$7 billion to \$8 billion and spiked up to almost \$12 billion?

Mr. Tom Adams: It was \$11.4 billion. Yes.

Mr. Victor Fedeli: What do you think happened there? Did the government raid it for another \$4 billion? Is that what we're paying off today?

Mr. Tom Adams: The accounts of OEFC with respect to the stranded debt and residual stranded debt have never been clarified. There is insufficient information on the public record to make a reasonable estimate, in response to your question.

Mr. Victor Fedeli: The DRC will come off of homeowners this year and businesses in 2018.

Mr. Tom Adams: Yes.

Mr. Victor Fedeli: Why do you think we still need to be collecting DRC charges if we've heard from the auditor that the debt retirement charge has been paid?

Mr. Tom Adams: OEFC still has \$26 billion of debt outstanding.

Mr. Victor Fedeli: So it's no longer for the debt retirement charge.

Mr. Tom Adams: It's for something else.

Mr. Victor Fedeli: It's for the stranded debt or something else?

Mr. Tom Adams: I believe that the debt reduction charge will be replaced by some other electricity tax yet to be announced.

The Chair (Ms. Soo Wong): I'm going to stop you here. I'm sorry. It's only three minutes.

Mr. Victor Fedeli: Okay.

The Chair (Ms. Soo Wong): Ms. Fife.

Ms. Catherine Fife: Thank you very much, Mr. Adams. We've been quoting heavily from your blog, which must be very unsettling for you on some levels. In one of the quotes, you say that this government is using "astrology and unicorn sightings to guide their electricity and transit plans." I know. Well, at least you're turning red.

But I want to address the \$800-million special payment from Hydro One to the government, and I wanted to give you an opportunity to weigh in on this, if you haven't had a chance.

According to the fall economic outlook and fiscal review, the government plans to give an \$800-million special dividend to the OEFC to pay down the province's electricity sector debt and other payables. We learned that this payment will not actually reduce OEFC's stranded debt, because the OEFC's receivables from the province will be reduced by an equivalent amount.

This is very creative accounting. I asked you a very similar question last year around the sell-off of Hydro One. The sell-off of Hydro One—we need to be very clear about what the intention is, because it's not based on unicorn sightings and astrology. This is about very creative accounting. So I want to give you an opportunity to get on the record, so we can quote you later in debate.

Mr. Tom Adams: OEFC's accounts are unclear in a number of areas, but the largest gap in clear explanation is the amount owing from the province. That amount is growing rapidly. It's reported on OEFC's statements as a sound receivable flowing through to the province's statements. That amount is reflected as an accumulation of net income from OPG and Hydro One. That accumulated net income is treated on the province's statements as a liquid financial asset, as if it was a T-bill account or something equivalent.

There is, I believe, no reason to accept that accounting provision. I'm waiting for the Auditor General to pay attention to this issue. It has been going on for years. The amount owing to OEFC, showing as an asset on OEFC's books oweable from the province, has been rising—

The Chair (Ms. Soo Wong): Mr. Adams, I'm going to stop you here. I'm going to turn to the government side: Ms. Albanese.

Mrs. Laura Albanese: Thank you for your presentation. You spoke a lot about the value of the residual stranded debt. Where did that debt come from? I believe it came from rates being capped at about 30% for a long time, and I think it was the equivalent of \$20 billion that has been paid down steadily. I just wanted to make that point in regard to that.

You do say that the new measures reduce the transparency of Hydro One. But at the same time, we have to make it a company that is subject to the same rules and responsibilities of other companies that are being traded. We still want to take responsibility for that. The intent is to have, at the end, a better-run company with stronger management than what it has now.

The government and the people of Ontario, I would say, still own 84% of this company right now. We will still be the major stakeholders, always, because we will own 40%, and it is enshrined in legislation that no person, no individual, no group, no company can own more than 10%. Therefore, the people of Ontario will always be the major stakeholders of that company, even though we are proceeding with this in what I hope is considered a prudent way of testing the market, through four phases. That's what has been indicated.

You also spoke about the municipalities. The municipalities have spoken to finance officials—and I believe the opposition knows, too, that the impact is supposed to be less than \$1 million. We are continuing to upload what was downloaded beforehand to municipalities, so municipalities continue to benefit from the government, the province of Ontario, uploading a lot of the costs that in the past had been—

The Chair (Ms. Soo Wong): Ms. Albanese, I'm sorry. We need to stop you.

Mr. Adams, thank you very much for your presentation. If there's any written submission, please submit it to the Clerk by 6 p.m. tomorrow.

I'm going to adjourn the committee, and we'll see—

Ms. Catherine Fife: Chair?

The Chair (Ms. Soo Wong): Yes?

Ms. Catherine Fife: Just a question. I've noticed that there's this tendency for government members to talk for the entire three minutes and not actually ask questions of the delegations. Are there any procedural powers that you have as the Chair to control this? Because it's shutting down democracy at this committee.

The Chair (Ms. Soo Wong): Ms. Fife, just to clarify for everybody, when each caucus gets their allotted time, when there's three minutes—this is the first time we did it around the table for nine minutes; I can tell you right now that it's very hard, as the Chair, to make sure everybody gets their three minutes—it's the prerogative of the caucus or the member to ask a question, make a statement or to clarify, because sometimes the witness makes a statement about the government or what have you.

I just want to be very clear that during the time that has been allotted to your respective party, you can ask for clarification or you can make a statement. That's up to individual members.

Ms. Forster, then I'm going to adjourn the committee.

Ms. Cindy Forster: Yes, I have a question. When can we expect to actually have the Hansards from this committee? When is the deadline for the amendments?

The Chair (Ms. Soo Wong): I'm going to turn to the Clerk. Mr. Clerk?

The Clerk of the Committee (Mr. Katch Koch): The amendments are due—I'm just looking at the time allocation motion here—on Friday, December 4, at 10 a.m. They must be filed by 10 a.m.

In terms of the committee Hansard, I know the House did sit a couple of evenings this week. Priority is always given to the House; then the committee transcripts would be transcribed in the order of committee meetings. There have been a number of committees that have met this week before finance.

Ms. Cindy Forster: I would just like to get it on the record that in this majority government setting, the government is setting the agenda. The government is time-allocating bills. The government is pushing through the deputations, followed immediately by clause-by-clause, so that in two committees that I've been involved in in the last week, I still hadn't got the Hansard and we were going to clause-by-clause. And after the deadline for the

amendments to actually be presented, we still didn't have the Hansard.

I am certainly not blaming that on the Hansard staff, but I want it on the record that we need to have these Hansards in order for our official opposition and third parties to actually put our amendments forward. We're not able to represent the people who we represent and the stakeholders if we do not have the Hansards in a timely way, so that we can actually meet our commitments to those folks.

The Chair (Ms. Soo Wong): Thank you, Ms. Forster, for your statement.

I'm going to be very clear with the committee: There is clause-by-clause on Monday afternoon starting at 2 p.m., and your respective parties will have an opportunity to submit your amendments to the Clerk, because tomorrow we don't have any witnesses before us, so there is extra time.

Thank you. We'll see you on Monday afternoon.

The committee adjourned at 1745.

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Clerk / Greffier

Mr. Katch Koch

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**Legislative Assembly
of Ontario**

First Session, 41st Parliament

**Assemblée législative
de l'Ontario**

Première session, 41^e législature

**Official Report
of Debates
(Hansard)**

Monday 7 December 2015

**Journal
des débats
(Hansard)**

Lundi 7 décembre 2015

**Standing Committee on
Finance and Economic Affairs**

Budget Measures Act, 2015

**Comité permanent des finances
et des affaires économiques**

Loi de 2015 sur
les mesures budgétaires



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LEGISLATIVE ASSEMBLY OF ONTARIO

ASSEMBLÉE LÉGISLATIVE DE L'ONTARIO

STANDING COMMITTEE ON
FINANCE AND ECONOMIC AFFAIRSCOMITÉ PERMANENT DES FINANCES
ET DES AFFAIRES ÉCONOMIQUES

Monday 7 December 2015

Lundi 7 décembre 2015

The committee met at 1400 in committee room 1.

BUDGET MEASURES ACT, 2015

LOI DE 2015 SUR
LES MESURES BUDGÉTAIRES

Consideration of the following bill:

Bill 144, An Act to implement Budget measures and to enact or amend certain other statutes / Projet de loi 144, Loi visant à mettre en œuvre les mesures budgétaires et à édicter ou à modifier d'autres lois.

The Chair (Ms. Soo Wong): Good afternoon. I'm going to call the Standing Committee on Finance and Economic Affairs to order.

As ordered by the House on Thursday, November 26, 2015, we are assembled here today for clause-by-clause consideration of Bill 144, An Act to implement Budget measures and to enact or amend certain other statutes. Pauline Rosenbaum, the legislative counsel, is here to assist us with our work.

The committee is authorized to sit today from 2 p.m. to 6 p.m. and from 6:45 to midnight. A copy of the numbered amendments received at the deadline last Friday is on your desk. Committee members will know that at 4 p.m. today, I'm required to interrupt the proceedings and shall, without further debate or amendment, put every question necessary to dispose of all remaining sections of Bill 144 and any amendments thereto. From that point forward, those amendments which have not yet been moved shall be deemed to have been moved. I will, at that time, allow a 20-minute waiting period.

Do we have any questions before we begin? Seeing none, I'm going to go through—as you probably can see, Bill 144 is comprised of only three sections, which enact 23 schedules. In order to deal with the bill in an orderly fashion, we're going to postpone the three sections in order to dispose of the schedules first. Do we have agreement to this? Okay, I see a nod of the head, right?

Mr. Victor Fedeli: I'm sorry?

The Chair (Ms. Soo Wong): I'm asking a question. All right, so let's start—

Interjection.

The Chair (Ms. Soo Wong): We don't have the third party representative here today, Mr. Clerk. I see that there's a motion number 1 here put forward. Somebody has to move this. Since no one is here from the party, it's not going to be moved.

Mr. Clerk, I'm going to move on.

Mr. Victor Fedeli: Can anybody move it, or is that how it works?

The Chair (Ms. Soo Wong): Somebody from the third party.

Mr. Victor Fedeli: Oh.

The Clerk of the Committee (Mr. Katch Koch): I don't know if they have an objection. It's their motion.

The Chair (Ms. Soo Wong): It's their motion. I can't move it as Chair, and nobody from the government side can move it. Okay.

I'm going to go to the next section. All right. Do we do motion 2?

Interjections.

The Chair (Ms. Soo Wong): Oh. Ms. Fife, you're just in the nick of time. I'm just dealing with motion number 1. Ms. Fife, do you want to read your motion into the record? I think the Clerk's going to come and help you.

Ms. Catherine Fife: This one?

The Chair (Ms. Soo Wong): Yes, this one.

Ms. Catherine Fife: I move that the bill be amended by striking out "he or she" wherever it appears and substituting in each case "they".

The Chair (Ms. Soo Wong): Okay. Committee members, in my opinion, the motion before the committee is an amendment not offered to any particular section, subsection or clause of the bill. It is read as a blanket strike-out of the words "he or she" whenever it appears in the bill and replaced with the word "they."

The motion itself, as drafted, is not out of order, but since Bill 144 deals with 23 other acts, I'm concerned that the members are being asked to approve a motion without fully knowing the legal context in which the words "he or she" are being used throughout the bill.

A blanket strike-out-and-replace, in this case, also risks rendering certain parts of the bill grammatically flawed. Further, I'm also concerned about consistency of new language and the effect it would have on the statutes of Ontario, should this motion pass. Therefore, I will not allow this motion and rule it out of order. Okay?

Ms. Catherine Fife: Madam Chair, just a comment: This was basically just to ensure that the government knows about inclusive language—

The Chair (Ms. Soo Wong): No, there's no debate. Ms. Fife, there's no debate. I'm moving forward. So sorry.

Now we have motion number 2.

Interjection.

The Chair (Ms. Soo Wong): The Clerk has just advised me that for schedule 1, sections 1 through 4, there are no motions. Can we vote on schedule 1, sections 1 through 4, collectively? Is that all right with the committee? There are no motions.

Interjections: Yes.

The Chair (Ms. Soo Wong): Okay. Any questions, comments or debate on these sections before I call the question? Seeing none, I'm going to call the question. Schedule 1, sections 1 through 4: All those in favour? Opposed? Carried.

I believe we have government motion number 2. Ms. Albanese, do you want to read it into the record?

Mrs. Laura Albanese: Yes, thank you, Chair. I move that section 5 of schedule 1 to the bill be struck out and the following substituted:

“Commencement

“5(1) Subject to subsection (2), this schedule comes into force on the day the Budget Measures Act, 2015 receives royal assent.

“Same

“5(2) Subsection 2(1) comes into force on January 1, 2016.”

The Chair (Ms. Soo Wong): Any comments or questions on the motion? Seeing none—Mrs. Albanese?

Mrs. Laura Albanese: I guess I just would add that the purpose of this motion is to provide greater certainty for MPAC and for property owners and municipalities, as it would ensure that MPAC has as much time as possible to prepare for the changes and to communicate the changes to property owners when notices of assessment are issued, beginning early in the year.

The Chair (Ms. Soo Wong): Any questions or comments to motion number 2? Seeing none, I'm going to call the question. All those in favour of motion number 2? All those opposed? Carried.

Shall schedule 1, as amended, be carried?

Interjection.

The Chair (Ms. Soo Wong): Oh, sorry. I've got to go back. Sorry.

Shall schedule 1, section 5, as amended, be carried? Carried.

Shall schedule 1, as amended, be carried? Carried.

Now we are on schedule 2. I notice there are no motions before us for this particular schedule. Am I correct, Mr. Clerk? Yes. Can we cluster them to vote on this particular schedule?

Interjections: Yes.

The Chair (Ms. Soo Wong): Okay. Any questions or comments? Seeing none, all those in favour of schedule 2, sections 1 through 4? All those opposed? Carried.

Shall schedule 2 be carried? Carried.

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For schedule 3, sections 1 through 3, there are no motions put forward. I just wanted to check with the committee: Is it all right that we vote on them collectively? Okay.

Any questions or comments before I call the question? Seeing none, I'm going to call the question for schedule 3, sections 1 through 3. All those in favour? Opposed? Carried.

I believe the official opposition has motion number 3. Mr. Fedeli, do you want to read it into the record?

Mr. Victor Fedeli: I move that subsections 91.2(2) and (4) of the Electricity Act, 1998, as set out in section 4 of schedule 3 to the bill, be struck out.

The Chair (Ms. Soo Wong): Any questions or comments to motion number 3? Mr. Fedeli.

Mr. Victor Fedeli: By eliminating the exemption for Hydro One subsidiaries, it ensures that the minister can't ignore the requirement to pay funds to the OEFC. This will guarantee that the minister must pay money to the OEFC and cannot use a shell game or creative accounting to ignore this obligation. The current hydro debt at OEFC is \$26 billion, and that money needs to be paid down. Without any tax payments for OEFC, that will continue to grow and will cause higher hydro bills.

The Chair (Ms. Soo Wong): Any questions or comments to motion number 3? Ms. Albanese.

Mrs. Laura Albanese: We're going to be voting against this motion because striking out subsections (2) and (4) would result in the Minister of Finance not being able to make regulations to exclude the income tax payable by subsidiaries of Hydro One Inc. This flexibility has been proposed because the corporate organization of Hydro One and its subsidiaries is a matter in which the government has ceased to be directly involved. The flexibility from this amendment will allow the government to direct future revenue from Hydro One to pay down electricity sector debt in the OEFC.

The Chair (Ms. Soo Wong): Any other comments or questions before I call the question? All right, I'm going to call the question. Shall motion 3 be carried? All those in favour? All those opposed? Defeated.

Shall schedule 3, section 4, be carried? All those in favour? Opposed? Carried.

I believe this is motion number 4. Mr. Fedeli, do you want to read it for the record?

Mr. Victor Fedeli: I move that subsection 5(2) of schedule 3 to the bill be struck out.

The Chair (Ms. Soo Wong): Any questions or comments to motion number 4? Mr. Fedeli.

Mr. Victor Fedeli: This amendment would keep the provisions in place that force the minister to give the money paid by municipal electric utilities back to the municipalities, once the residual stranded debt is retired. The minister is currently trying to get money to pay down the Hydro debt. In this case, without this passing, it would be on the backs of the municipalities. We don't believe that we should be punishing municipalities to make up for the fallout from the Hydro One fire sale.

The Chair (Ms. Soo Wong): Ms. Albanese.

Mrs. Laura Albanese: We will be voting against this motion because the amendments, as proposed in the bill, would result in payments made under section 92 by municipal electricity utilities being treated in the same

manner as payments by Hydro One and OPG; that is, being paid to the Ontario Electricity Financial Corp. until that corporation is dissolved and to municipalities after that date.

As the amendments in this schedule would eliminate references to the fees and the residual stranded debt and instead set a firm end date for the debt retirement charge, it would not make sense for subsection 92(4) of the act to continue in its current form.

The Chair (Ms. Soo Wong): Any other comments or questions to motion number 4? Seeing none, I'm going to call the question to motion number 4.

All those in favour of motion number 4? All those opposed? Defeated.

Shall schedule 3, section 5, be carried? Any questions and comments first? All those in favour of schedule 3, section 5? All those opposed? Carried.

We have motion number 5. Mr. Fedeli?

Mr. Victor Fedeli: I move that subsection 6(1) of schedule 3 to the bill be struck out and the following substituted:

“Commencement

“6. (1) Subject to subsections (1.1) and (2), this schedule comes into force on the day the Budget Measures Act, 2015 receives royal assent.

“Same

“(1.1) Section 1 comes into force on the day the Minister of Finance publishes the notice described in subsection 85(6) of the Electricity Act, 1998 in the Ontario Gazette.”

The Chair (Ms. Soo Wong): Any questions or comments to motion number 5? Mr. Fedeli?

Mr. Victor Fedeli: Currently the bill would combine the residual stranded debt and the stranded debt together. This way, the government can remove the debt retirement charge regardless of whether or not they actually retired the residual stranded debt. Therefore the government will claim success, actually, even though they haven't removed that debt because there will be no way to separate the two debts any further. This would force the government to be more transparent and honest in their actions.

We already know that the government is using the debt retirement charge to make payments for other priorities. We learned that in November 2011 from the Auditor General. We want to ensure that doesn't happen again.

The Chair (Ms. Soo Wong): Any questions? Ms. Albanese?

Mrs. Laura Albanese: We will be voting against this motion because this amendment is essentially a vote against ending the debt retirement charge through legislation for industrial users. It would defeat our objective of providing Ontario businesses and industry certainty as to the end date for the debt retirement charge. Ending the debt retirement charge would provide Ontario businesses with certainty and help them plan their investment decisions more effectively.

The Chair (Ms. Soo Wong): Mr. Fedeli?

Mr. Victor Fedeli: While I appreciate the commentary, actually, the amendment would make it so that the definitions of “residual stranded debt” and “stranded debt” actually stay separate until the minister proves that the residual stranded debt is retired. So it's kind of the opposite of what we're hearing.

The Chair (Ms. Soo Wong): Any other questions and comments to motion 5. I'm going to call the question. All those in—

Mrs. Laura Albanese: Sorry, I just wanted to add one more comment.

The Chair (Ms. Soo Wong): Oh, okay.

Mrs. Laura Albanese: I just wanted to add that we've been paying off the costs of the DRC throughout the past decade consistently. Our 2014 budget committed to removing the DRC from residential bills by the end of this year, two years early, and to take it off industries in 2018.

The Chair (Ms. Soo Wong): Mr. Fedeli.

Mr. Victor Fedeli: I hate to keep going back and forth, but when I hear “two years early” on something that the Auditor General told us was actually paid off in 2011, that suggests to me that it's years late, not two years early. I trust the auditor's numbers explicitly. He told us—it was “he” back then—in November 2011 that \$8.7 billion has been paid against the \$7.8 billion debt. So not only was the debt paid off in 2011, it was actually overpaid by almost \$1 billion. Yet we didn't learn till 2012, after the 2011 election, that \$4 billion had further been—I'll call it “borrowed”—from that debt and added to the debt without anybody knowing. It was borrowed in 2004. When we hear it will be paid off two years early, you can't say that when it's four to five years late.

The Chair (Ms. Soo Wong): Any other questions? Ms. Albanese.

Mrs. Laura Albanese: The government is committed to helping manage cost pressures for non-residential energy users as well. That is why we introduced legislation that, if passed, would end the DRC for non-residential consumers after March 31, 2018.

The reason Ontarians are still paying the debt retirement charge is because of the PC Party's failed energy schemes. Let's not forget that instead of paying down the debt, the PCs artificially capped rates after causing electricity prices to go up 30% in 30 weeks.

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Contrary to the PC claims, the total cost of electricity was not included in electricity prices under the PC government. In fact, this move added an extra \$1.1 billion to the stranded debt between 1999 and March 2004.

Ontarians have been paying off these costs through the DRC for the past decade. We have committed to removing the DRC from residential bills by the end of this year.

The Chair (Ms. Soo Wong): Okay. Any other questions and comments to motion number 5?

Interjection.

The Chair (Ms. Soo Wong): Mr. Yakabuski, can you please not interrupt?

I'm going to call the question to motion number 5. All those in favour—no, you don't vote. All those opposed to motion number 5? Defeated.

Mr. Victor Fedeli: You get him in a few minutes.

The Chair (Ms. Soo Wong): I'm sure I'm going to enjoy it.

Laughter.

The Chair (Ms. Soo Wong): Shall schedule 3, section 6, be carried? Any questions and comments to schedule 3, section 6? All those in favour of schedule 3, section 6? All those opposed? Carried.

I'm going to go back again. Shall schedule 3 be carried? Yes, Ms. Fife.

Ms. Catherine Fife: Madam Chair, I think that we have an opportunity now to speak against the entire schedule.

The Chair (Ms. Soo Wong): Okay.

Ms. Catherine Fife: Schedule 3 actually can't be fixed. The Electricity Act is heavily flawed and will not be supported by New Democrats. The government has repeatedly prolonged the life of the residual stranded debt, and ratepayers have had to pay the price for that. Now, because of the Hydro One sell-off, the government has increased the residual stranded debt yet again, and businesses will be stuck paying \$600 million a year in debt retirement charges for even longer.

The government has defied the recommendations of the Auditor General and has now eliminated all transparency and accountability provisions with respect to the OEFC and residual stranded debt, and no longer has to show the debt retirement charge is actually paying down debt. That's a huge problem around accountability and transparency.

The government is making municipalities pay a price for the loss of Hydro One revenues by changing the law and permanently claiming money that would have started flowing to municipalities and schools after the residual stranded debt was retired.

This entire schedule cannot be supported by New Democrats.

The Chair (Ms. Soo Wong): Okay. Are there any questions and comments to schedule 3? I'm going to call the question. Shall schedule 3 be carried? All those in favour? All those opposed? It's carried.

I believe there is a government motion, number 6. Who wants to read it into the record? Ms. Albanese, do you want to read motion 6 into the record?

Mrs. Laura Albanese: Sure. I move that subsection 1(4) of schedule 4 to the bill be struck out and the following substituted:

"Property of which possession may be taken

"(4) A reference in this act to property of which the Public Guardian and Trustee may take possession under section 2 or under a paragraph of subsection 2(1) includes property meeting the description set out in section 2 or the applicable paragraph of subsection 2(1), as the case may be, that met the description before the day this act comes into force.

"Property of which possession has been taken

"(5) A reference in this act to property of which the Public Guardian and Trustee has taken possession under section 2 or under a paragraph of subsection 2(1) includes property meeting the description set out in section 2 or the applicable paragraph of subsection 2(1), as the case may be, of which the Public Guardian and Trustee took possession before the day this act comes into force, whether or not the property was paid into the Consolidated Revenue Fund before the day this act comes into force."

The Chair (Ms. Soo Wong): Any questions, comments to motion number 6? Seeing none, I'm going to call the question.

Interjection.

The Chair (Ms. Soo Wong): Ms. Fife, I'm going to call the question to motion 6, all right?

There are no more questions and comments to motion 6. All those in favour of motion 6? All those opposed? The motion is carried.

Shall schedule 4, section 1, as amended, carry? All those in favour? Opposed? Carried.

I noticed that schedule 4, sections 2 through 15, has no motions. Is it the will of the committee that we vote for them collectively? Is that good with everybody? Any questions and comments about these sections? Ms. Hoggarth?

Ms. Ann Hoggarth: I just want to be clear: We did the motion to amend schedule 4, subsection 1(4).

The Chair (Ms. Soo Wong): Yes.

Ms. Ann Hoggarth: So we didn't have to do it again?

The Chair (Ms. Soo Wong): No. I'm just going to go back. We're doing schedule 4, section 2 through section 15 collectively and inclusive. Any questions and comments? Seeing none, I'm going call the question.

Shall schedule 4, section 2 to section 15, carry? All those in favour? Opposed? Carried.

I believe we have a motion, number 7, before us. Who wants to read it into the record? Ms. Albanese?

Mrs. Laura Albanese: I move that subsection 16(3) of schedule 4 to the bill be struck out and the following substituted:

"Same, priority

"(3) If the Public Guardian and Trustee has taken possession of property under section 2 and amounts due to the crown are determined under this section in connection with the property, those amounts have priority over every claim, privilege, encumbrance or other interest of every person in respect of the property.

"Deduction of amounts

"(4) Amounts mentioned in subsection (3) may be deducted by the Public Guardian and Trustee from any property of which the Public Guardian and Trustee has taken possession under section 2 that was owned by the prior owner or by a related dissolved corporation."

The Chair (Ms. Soo Wong): Any questions or comments to motion number 7? Ms. Albanese?

Mrs. Laura Albanese: I guess I'll just explain what the intent of this motion is. We're attempting to streamline the way in which the government takes possession of

forfeited property, so property that becomes ownerless due to death, bankruptcy or other such reasons. The government would do this through the Public Guardian and Trustee.

The section simply further clarifies property that the government may possess; for example, property such as land and buildings on that land, but also equipment, furniture and other such non-realty property.

The Chair (Ms. Soo Wong): Any questions or comments on motion 7? Seeing none, I'm going to call the question.

All those in favour of motion number 7? All those opposed? Carried.

Shall schedule 4, section 16, as amended, carry? Any questions and comments first? Seeing none, shall schedule 4, section 16, as amended, carry? All those in favour? Opposed? Carried.

I believe in schedule 4, sections 17 to 23, there are no motions put forward. Can we vote collectively on these sections? Yes? Okay. Any questions and comments to schedule 4, sections 17 through 23? Seeing none, I'm going to call the question.

Shall schedule 4, section 17 through section 23, carry? All those in favour? Opposed? Carried.

We have a government motion before us, motion number 8. Ms. Albanese?

Mrs. Laura Albanese: I move that schedule 4 to the bill be amended by adding the following section:

“Legislation Act, 2006

“23.1 Part III (Regulations) of the Legislation Act, 2006 does not apply with respect to orders issued by the Lieutenant Governor in Council under subsection 5(3) or 7(7) or by the Public Guardian and Trustee under section 13.”

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The Chair (Ms. Soo Wong): Any questions or comments to motion 8? Ms. Albanese?

Mrs. Laura Albanese: I guess I'll explain what this motion is doing. We're adding a new section to the proposed Escheats Act, 2015, to ensure that certain ways in which property is transferred to the crown can be carried out quicker and in a more streamlined way. A couple of examples would be orders by the Lieutenant Governor in Council transferring property in connection with a moral claim, or orders by the Lieutenant Governor in Council transferring property to a charity.

If the amendment was not carried, these decisions would need to be approved through Treasury Board and cabinet. This would be burdensome and unnecessary, given the nature of the types of decisions included.

The Chair (Ms. Soo Wong): Any questions and comments to motion 8? Seeing none, I'm going to call the question. All those in favour of motion number 8? All those opposed? Carried.

Schedule 4, sections 24 through 32: There are no motions before us. Can we vote on them collectively, as a package? I guess that silence means it's good, right? Okay.

Are there any questions and comments regarding schedule 4, sections 24 through 32? Seeing none, I'm going to call the question. All those in favour of schedule 4, sections 24 through 32? All those opposed? Carried.

Shall schedule 4, as amended, be carried? Any questions and comments with regard to this schedule? Seeing none, I'm going to call the question. Shall schedule 4, as amended, be carried? All those in favour? Opposed? Carried.

There are no motions for schedule 5, sections 1 through 3. Can we vote on them collectively? Any questions and comments before I call the question? Seeing none, all those in favour of schedule 5, sections 1 through 3? All those opposed? Carried.

Shall schedule 5 be carried? All those in favour? Opposed? Carried.

There are no motions before us for schedule 6. I'm going to put that as assumed that we're going to vote on them collectively.

Ms. Fife?

Ms. Catherine Fife: Madam Chair, just on schedule 6, we recommend voting against the entire schedule. This is the removal of the Ontario Economic Forecast Council. This is a government that actually needs all the financial advice and expertise that they can get. That's one of the reasons why we fought so hard to get the Financial Accountability Officer here. Actually, the FAO has shed considerable light on the sale of Hydro One, for instance, and the economic forecasting for the province of Ontario.

For us, clearly, there's a need to address some of the housekeeping and administration duplication in this government, but getting rid of the Ontario Economic Forecast Council, to us, makes no sense. So we will not be supporting this schedule, in its entirety.

The Chair (Ms. Soo Wong): Ms. Albanese?

Mrs. Laura Albanese: I just want to clarify the reasons why we're supporting this schedule. That's because, in the course of reviewing the mandates and efficacy of Ontario's agencies, the government has concluded that it is unnecessary to maintain the Ontario Economic Forecast Council in its current form. It is consistent with the recommendations of the 2012 Drummond report to eliminate unnecessary agencies.

The Minister of Finance will continue to consult with private sector economists and seek their validation of economic assumptions in the course of developing Ontario's budgets and fiscal plan in 2016 and in the future. But it is simply unnecessary for those economists to be appointed to an advisory body before the minister obtains their advice.

I want to be clear: The OEFC is meeting these needs. However, its agency status is not required. The ability of the OEFC to fulfill its mandate is tied to the expertise and reputation of its members and does not require status as a provincial agency.

In addition, each member of the OEFC renders their opinion individually, without consultation with other members, and this has resulted in the OEFC having a structure reflecting three independent advisers without a

Chair. This is inconsistent with provincial agency structure for advisory agencies.

The Chair (Ms. Soo Wong): Okay. Ladies and gentlemen, we have two sections here. We have to vote on them first before the entire schedule, okay?

Because there are no motions put forward for schedule 6, sections 1 and 2, can I call the question for both of them combined? All right. All those in favour of schedule 6, sections 1 and 2? All those opposed? Carried.

The question that you were just asking, Ms. Fife: Shall schedule 6 be carried? That's when you're going to vote what you want.

Any questions and comments? I've heard from Ms. Fife; I've heard from Ms. Albanese. Are there any other speakers to schedule 6?

Seeing none, shall schedule 6 be carried? All those in favour? Opposed? Carried.

All right. We are now on schedule 7. I believe that for schedule 7, sections 1 through 9, there are no motions. I'm going to check the will of the committee. Can we vote on them collectively?

Interjections: Yes.

The Chair (Ms. Soo Wong): All right. Any questions and comments for schedule 7, sections 1 through 9? Ms. Hoggarth?

Ms. Ann Hoggarth: Sorry, no.

The Chair (Ms. Soo Wong): No comments. Okay. I thought you had a comment.

Any questions? Seeing no comments and questions, I'm going to call the question. Shall schedule 7, sections 1 through 9, be carried? All those in favour? Opposed? Carried.

I believe we have a government motion before us, motion number 9.

Mrs. Laura Albanese: Yes, Chair.

The Chair (Ms. Soo Wong): Ms. Albanese?

Mrs. Laura Albanese: "I move that schedule 7 to the bill be amended by adding the following section:

"Legislation Act, 2006

"9.1 Part III (Regulations) of the Legislation Act, 2006 does not apply with respect to orders issued by the minister under section 10, 17 or 28."

The Chair (Ms. Soo Wong): Okay. Any questions and comments to motion number 9? Ms. Albanese.

Mrs. Laura Albanese: Yes, I just want to clarify the purpose of the motion. Similarly to government motion number 8, this motion would add a new section to the proposed Forfeited Corporate Property Act, 2015, to ensure that certain ways in which property is transferred to the crown can be carried out quicker and in a more streamlined way.

If the amendment was not carried, orders such as those transferring certain forfeited corporate realty property to a municipality would need to be approved through Treasury Board and cabinet, and this would be overly burdensome and unnecessary.

The Chair (Ms. Soo Wong): Any questions and comments to the motion? Seeing none, I'm going to call the question. All those in favour of motion 9? All those opposed? Motion carried.

I believe that for schedule 7, sections 10 through 35, there are no motions before us. Like with previous sections, I'm going to ask for the will of the committee. Can I call the question to all those sections collectively?

Interjections: Yes.

The Chair (Ms. Soo Wong): Okay. Any questions and comments for schedule 7, sections 10 through 35? Seeing none, I'm going to call the question. Shall schedule 7, sections 10 through 35, be carried? All those in favour? All those opposed? Carried.

I believe we have motion number 10 before us. It's a government motion. Ms. Albanese, do you want to read that into the record?

Mrs. Laura Albanese: Yes. Thank you. I move that subsections 36(2), (3), (4) and (5) of schedule 7 to the bill be struck out and the following substituted:

"Failure to comply

"(2) If a person or entity that receives a notice under section 35 refuses under subsection (1) to provide the required information and the minister is of the opinion that subsection (1) does not apply, the minister may apply to the Superior Court of Justice for an order compelling the person or entity to provide the information."

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The Chair (Ms. Soo Wong): Any questions and comments to motion 10? Ms. Albanese.

Mrs. Laura Albanese: Again, for clarification purposes, this motion would resolve concerns that have been raised by the Information and Privacy Commissioner. Elsewhere in the act, there are proposed requirements to provide information to the Minister of EDI in relation to privacy requests. This motion would eliminate exemptions for institutions already subject to provincial privacy legislation. It would clarify that the only grounds for a person or entity to refuse to provide information to the minister is that the information is subject to a legal privilege, such as solicitor-client, litigation or settlement privilege.

The Chair (Ms. Soo Wong): Any other questions and comments to motion 10? Seeing none, I'm going to call the question. All those in favour of motion 10? All those opposed? The motion carries.

Shall schedule 7, section 36, as amended, be carried? Any questions or comments before we go ahead? Seeing none, shall schedule 7, section 36, as amended, be carried? All those in favour? Opposed? Carried.

All right. I believe for schedule 7, 37 through 62, there are no motions. Am I correct, Mr. Clerk? Yes, okay. So there are no motions before this committee for schedule 7, sections 37 through 62. Can I vote on those collectively, as a package? I'm seeing that. Okay.

Any questions and comments to this schedule and these sections? Seeing none, I'm going to call the question. Shall schedule 7, sections 37 through 62, be carried? All those in favour? Opposed? Carried.

Now we're going to vote on the entire schedule. Are there any questions and comments to schedule 37, the entire schedule?

Interjections.

The Chair (Ms. Soo Wong): Seven, sorry. Are there any questions and comments to schedule 7, as amended? Seeing none, I'm going to call the question. Shall schedule 7, as amended, be carried? All those in favour? All those opposed? Carried.

We're now on schedule 8. Again, there are no motions before this committee. I'm going to see if it's okay with the committee that we're going to vote on them collectively. I see a nodding of the head. Thanks, Ms. Fife.

Are there any questions and comments for schedule 8? Seeing none, I'm going to call the question. Shall schedule 8, sections 1 and 2, be carried? All those in favour? All those opposed? Carried.

Shall schedule 8 be carried? Any questions and comments? Seeing none, all those in favour? Opposed? Carried.

We're now on schedule 9. There are no motions before the committee for schedule 9, sections 1 through 4. I'm going to look to the committee members. Can I call the question for this entire section, sections 1 through 4? Okay.

Any questions and comments, first? Seeing none, shall schedule 9, sections 1 through 4, be carried? All those in favour? Opposed? Carried.

I believe there is a motion, number 11. Ms. Fife, can you read it into the record?

Ms. Catherine Fife: I move that section 5 of schedule 9 to the bill be amended by adding the following subsection:

“Consultation

“(1.1) Before making or amending the rules, the commission shall consult with persons involved in horse racing who hold a licence under this act.”

The rationale, of course, is the amendment to section 5 requires that before the rules of horse racing are changed, the commission must consult with operators/owners of racehorses and horse people. Horse racing rules require industry knowledge, and New Democrats support a process in which all relevant stakeholders are consulted.

I think it's worth noting that the government put the horse racing industry and sector in a very precarious place because they did not consult on SARP, the Slots at Racetracks Program, and the entire sector is still reeling because of that. It makes sense to actually sit down with the people who are going to be affected by these decisions—and all relevant stakeholders—prior to bringing any further changes in.

This is actually what we were promised by the Liberal government during the election, and all we've seen thus far are these arbitrary changes to various ministries and various practices across the board. It would make sense for the government in this instance to support this amendment because it actually is a progressive amendment. It is not threatening. It just brings the stakeholders and the industry, who have the knowledge, to the table so that the sector doesn't pay the price anymore for wrong-headed decisions.

The Chair (Ms. Soo Wong): Any questions? Ms. Albanese.

Mrs. Laura Albanese: I just wanted to comment on why we will be voting against this motion. In practice, the AGCO would normally consult with industry stakeholders. However, the commission should have the discretion to amend the rules without prior consultation since at times there may be the need for quick action for reasons such as animal health or public safety. This would bring consistency across the AGCO's three areas of responsibility: alcohol, gaming and racing.

We are committed to the long-term sustainability of the horse racing industry, and we know there are communities that depend on it. Our government is introducing the proposed legislation that would, if passed, support a stable and sustainable horse racing industry in our province, and this proposed change would ensure horse racing's long-term success in Ontario.

The Chair (Ms. Soo Wong): Ms. Fife.

Ms. Catherine Fife: Just for clarity: I think it needs to be said that the horse racing sector and horse people do not think that dissolving the Ontario Racing Commission is in their best interests, and the government knows this. What the government could do, at least, is give them a voice throughout the process so that they can represent their needs.

You have to remember, this is an industry that is still reeling from the short-sighted cancellation of the SARP program. Respecting the voices in that sector could contribute to moving forward with policy decisions that actually don't cause more harm. Basically, the philosophy should be “do no more harm,” and having at least a sector-specific person at that table would be helpful.

The Chair (Ms. Soo Wong): I see, Ms. Scott, your hand was up?

Ms. Laurie Scott: I just want to support my colleague Ms. Fife's motion. There's no question they weren't consulted. It is quite frightening to them, the fact that there will not be anyone at the table who actually knows the industry. I don't know if we're going to have more amendments come forward. You're actually changing the whole regulatory way that horse racing has been done in the past. They feel it's quite harmful to the industry, and I concur with them.

I know the member, Ms. Albanese, may have a response to what Ms. Fife just said about the consultation, but there's no question Ms. Fife is absolutely correct. They were not consulted before any of these changes were brought in, and because of the short time to turn around, it was hard for them to come quickly to committee last week.

The Chair (Ms. Soo Wong): Ms. Albanese.

Mrs. Laura Albanese: Respecting the voices of the industry is our intent. At the same time, as I reiterate what I said earlier, the AGCO would normally consult with industry stakeholders, but the commission—and this is the intent of this motion—should have the discretion to amend the rules when there may be the need for quick action for animal safety and public safety. That's the reason why this is being introduced.

The Chair (Ms. Soo Wong): Mr. Yakabuski.

Mr. John Yakabuski: You know, it's interesting—my friend in the third party, Ms. Fife, said, “Do no more harm.” You people have no concept of how much harm you've already done to this industry, and now you're branding them and they're not even part of the consultation process. This bill should not have been brought forward without significant consultation with a group of people that you're affecting deeply with this legislation.

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Now we're in an accelerated process here in committee that is like speed committee. This will be legislation before a cat can blink his eye. The die will be cast and the ink will be dry on the bill. It's just not the way you do things in this industry that feels like it's been continuously targeted by your government, and this is another example of that in spades. I think how you're proceeding with this is reprehensible.

The Chair (Ms. Soo Wong): Any other comments and questions to motion 11? Mrs. Albanese.

Mrs. Laura Albanese: I'll just say that our government is committed to ensuring that all gaming activities in Ontario are conducted in accordance with the principles of honesty, integrity, transparency and in the public interest. The AGCO's regulatory oversight is being expanded to included horse racing. There will be specific benefits to the horse racing industry that will include improved promotion of horse racing through the OLG, OLG expertise and the introduction of horse-racing-themed gaming products and streamlined industry governance.

Again, the intent of the motion is just to have the flexibility when quick action is needed for reasons such as animal health or public safety.

The Chair (Ms. Soo Wong): Any other comments and questions to motion 11? Seeing none—

Mr. John Yakabuski: Well, we could go on all day, but it appears that the government is not going to listen.

The Chair (Ms. Soo Wong): Mr. Yakabuski, it's not your floor. I'm just asking the question: Are there any more questions and comments to motion number 11?

Ms. Fife first.

Ms. Catherine Fife: I'm sorry, I didn't ask—

The Chair (Ms. Soo Wong): Ms. Fife, do you want to make more comments to motion number 11?

Ms. Catherine Fife: No, that's okay. I've got nothing else.

The Chair (Ms. Soo Wong): Mr. Yakabuski.

Mr. John Yakabuski: Well, I tried to comment and you shut me down. Maybe you should, at least, hear what I have to say. Thank you.

The Chair (Ms. Soo Wong): You can comment, but I am about to call the question.

Mr. John Yakabuski: That's good. Don't be too hasty.

Ms. Laurie Scott: Can we have a recorded vote?

The Chair (Ms. Soo Wong): Recorded vote has been asked for.

Ayes

Fife, Munro, Yakabuski.

Nays

Albanese, Baker, Hoggarth, Milczyn, Vernile.

The Chair (Ms. Soo Wong): The motion is defeated.

Now I'm going to go back to schedule 9, section 5. Are there any questions and comments to schedule 9, section 5? Seeing none, I'm going to call the question. Shall schedule 9, section 5, be carried? All those in favour? All those opposed? Carried.

There are no motions before us for schedule 9, sections 6 and 7. I'm going to call the question for both of them, but I want to check with the committee: Are there any questions and comments to these two sections? Seeing none, I'm going to call the question. Shall schedule 9, sections 6 and 7, be carried? All those in favour? Opposed? Carried.

There is motion number 12. Ms. Fife, do you want to read it into the record?

Ms. Catherine Fife: I move that subsection 8(3) of schedule 9 to the bill be struck out.

I just want to remind people that subsection 8(3) limits the ability of the panel to inquire or make a decision about whether any parts of this act or any regulations under it are lawful. It's an incredibly restrictive clause.

You have to remember that the AGCO, through the registrar, will develop rules for racing, and an appeal panel will be created to handle issues related to contravening the rules of racing, and rulings are final.

This motion to remove it and to strike it actually gives the panel the ability to do their job, as it's indicated by the legislation. We have some concerns about how restrictive the original clause is.

The Chair (Ms. Soo Wong): Mr. Baker.

Mr. Yvan Baker: The intent of subsection 8(3) is to keep the horse racing appeal panel proceedings quick and accessible. That's the whole idea. The NDP motion would prevent that from being the case.

I should say, however, that the License Appeal Tribunal would be able to consider constitutional issues regarding horse racing licensing matters, as could the Divisional Court. There are other avenues for that, but the NDP motion would limit the quick and accessible proceedings that this is trying to facilitate.

The Chair (Ms. Soo Wong): Any comments or questions on motion 12? Mr. Yakabuski?

Mr. John Yakabuski: Well, I think it's wonderful if you want efficiency. But expediency at the expense of correctness? No. Would we not want to ensure that the decisions that are arrived at are good decisions? Or just quick decisions?

The member for Etobicoke has said, “We want this panel to be quick.” Well, quick does not necessarily mean right. I think that's a weakness in your argument, sir. Hopefully, getting the process correct—lives will be

affected by this, businesses are affected by this and industries are affected by this. I would hope that the decisions that are arrived at are arrived at because they got there on the basis of merit and being correct.

The Chair (Ms. Soo Wong): Mr. Baker?

Mr. Yvan Baker: Two quick points: One is, I would say that I'm the member for Etobicoke Centre—just out of respect for my friend from Etobicoke–Lakeshore—not the member for Etobicoke. Secondly—

Mr. John Yakabuski: Well, I just—

Mr. Yvan Baker: Excuse me, I'm speaking.

The other thing I would say is that the goal—
Interjection.

The Chair (Ms. Soo Wong): Mr. Yakabuski, stop. Stop now, please.

Mr. Baker?

Mr. Yvan Baker: The other thing I would say is that this is about being accessible and quick and correct. There are other avenues for appealing the kinds of issues that you're talking about. Like I said, the Licence Appeal Tribunal would be able to consider constitutional issues regarding horseracing licensing matters, as could the Divisional Court. So, if people want to appeal those, they have those avenues. Those avenues exist, but for the purposes of the Horse Racing Appeal Panel, the goal here is to make sure that the proceedings are quick and accessible, and that's what this does.

The Chair (Ms. Soo Wong): Ms. Fife?

Ms. Catherine Fife: I think the government isn't getting the point. I mean, this will limit the ability of the panel to inquire or make a decision about whether any parts of this act or regulations under it are lawful. That's the key work of the panel, so you can make it as quick and accessible as you want. The key part is that the panel can actually do its job. That's why we want this section struck out, Madam Chair.

The Chair (Ms. Soo Wong): Any other comments or questions on motion 12? Mr. Yakabuski.

Mr. John Yakabuski: Jeez, I hate offending the member for Etobicoke–Lakeshore, but if I had a dollar for every time—

The Chair (Ms. Soo Wong): Please stay focused on the motion.

Mr. John Yakabuski: Well, he made a point of it, Chair, so I'll finish it. If I had a dollar for every time somebody called me the member for Renfrew, or Pembroke or something or other—you're making a big deal about this in committee? What the heck's going on here?

The Chair (Ms. Soo Wong): What's your comment for motion 12, Mr. Yakabuski?

Mr. John Yakabuski: Grow up.

The Chair (Ms. Soo Wong): So no more questions or comments on motion 12, right? I'm going to call the question.

All those in favour of motion 12? All those opposed to motion 12? The motion is defeated.

I believe there is motion 13. Who would like to read it into the record? Mrs. Munro? Who's the voting member?

It has to be voting members who can read it into the record, okay? Mr. Yakabuski or Mrs. Munro.

Mr. John Yakabuski: Okay, great. I move that subsection 8(4) of schedule 9 to the bill be struck out and the following substituted:

“Appeal of decision

“(4) A person who considers oneself aggrieved by a decision of the panel under subsection (2) may appeal the decision to the Superior Court of Justice in accordance with the rules of court within 30 days of receiving notice of the decision.”

The Chair (Ms. Soo Wong): Any question or comments on motion 13?

Mrs. Albanese.

Mrs. Laura Albanese: Yes, I just wanted to clarify again that the intention behind making the Horse Racing Appeal Panel decision final was to establish an accessible expert process for examining contraventions of the rules of racing, largely relating to incidents that occur at the racetracks. The intention behind the panel is to allow for quick decisions on matters that arise at the racetracks that could lead to penalties under the rules of racing, without lengthy legal proceedings. Currently, when the Licence Appeal Tribunal hears matters that could result in monetary penalties, its decisions are final. This would bring consistency across the AGCO's three lines of business: liquor, gaming and racing.

I would like to add that licensing matters considered by the Licence Appeal Tribunal would be subject to appeal to the Divisional Court on questions of law. In addition, the Divisional Court would be able to judicially review decisions of both the Horse Racing Appeal Panel and the Licence Appeal Tribunal.

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The Chair (Ms. Soo Wong): Any other questions and comments to motion 13? Mr. Yakabuski.

Mr. John Yakabuski: I understand what the member on the other side is saying about the possibility to appeal to a Divisional Court—

Mrs. Laura Albanese: York South–Weston.

Mr. John Yakabuski: Yes, because I wouldn't want to get it wrong; I know you people are sensitive to that—but our ask is that it is appealable to the Superior Court.

In any cases of any tribunal in any kind of a league or any other jurisdiction, you always have that ability to take it to a higher level, in case the belief is that the decision of the appeals tribunal within the body has erred. A person who is suspended in the NHL: If they believe that it is wrong, they can take that to another body. They can take that beyond the league, should they choose. It doesn't often happen, but it has. It's happened in the NFL, it's happened in the NHL.

This is a sport, horse racing; it should be treated no differently. If a body rules in such a fashion that someone feels that they have not had a fair decision by that appeals tribunal, they should be able to take the next legal step. In our belief, the Superior Court of Justice would be the proper venue for that.

The Chair (Ms. Soo Wong): Ms. Albanese.

Mrs. Laura Albanese: I just wanted to reiterate what I mentioned before, that licensing matters considered by the Licence Appeal Tribunal will be subject to appeal to the Divisional Court on questions of law. Also, the Divisional Court would be able to judicially review decisions of both the Horse Racing Appeal Panel and the Licence Appeal Tribunal.

The Chair (Ms. Soo Wong): Any other comments to motion 13? Seeing none, I'm going to call the question. All those in favour of motion 13? All those in favour of motion 13? All those opposed? Defeated.

Ms. Fife, do you want to read motion 14 into the record?

Ms. Catherine Fife: Thank you, Madam Chair. I move that subsection 8(4) of schedule 9 to the bill be struck out.

In the interests of time—because we only have 55 more minutes because we're time-allocated on this huge omnibus bill—like the previous motion that we put forward, this section, subsection 8(4), is equally if not more restrictive. It essentially says that the word of the panel is final. There is no recourse for appeal. We shouldn't be stifling debate—of course, maybe we're experiencing that here today. There should always be a channel for an appeal process, and by striking out the provision altogether, the NDP motion is actually more effective than giving even a 30-day timeline.

I would urge the government to at least let this panel do its job, but also leave recourse for people who are seeking justice when they do get to this panel and ensure that there is recourse for appeal.

The Chair (Ms. Soo Wong): Any questions and comments? Mr. Milczyn.

Mr. Peter Z. Milczyn: Well, again, Madam Chair, as with the previous proposed motion, we will not be supporting this. There is sufficient ability for individuals to appeal decisions, where there are matters of law in question, to Divisional Court, as is the case with virtually all tribunals.

I don't think we need to reinvent the wheel here. We've established good processes for various tribunals in this province. This panel and this tribunal will be functioning in the same way as the others, and there will be rights of appeal.

The Chair (Ms. Soo Wong): Okay. Any more questions and comments to motion 14?

Ms. Catherine Fife: Just to clarify: There is no recourse for appeal. What you're saying is that if people cannot get justice at this panel, they're going to have to go to court. That's not actually an appropriate response, I think, to an issue like this.

The Chair (Ms. Soo Wong): Any other questions or comments to motion 14? Seeing none, I'm going to—Mr. Yakabuski, do you have a question?

Mr. John Yakabuski: No, I have a comment.

The Chair (Ms. Soo Wong): Oh, you want to comment. Okay.

Mr. John Yakabuski: Thank you, Chair. I would agree with Ms. Fife. Without having the ability to appeal,

really, without going through the court process—we argued for it to be able to go to a higher court, but without any avenue for appeal without going through the court process is regrettable, and I think it's a weakness in the legislation. Clearly—I can count—we're not going to win, but that is our comment.

The Chair (Ms. Soo Wong): Mr. Milczyn.

Mr. Peter Z. Milczyn: Yes, I just want to make the point again: This panel, tribunal, will operate the same way most other panels and tribunals in this province work. There are no, necessarily, appeals of the facts of the decision; there is the ability to appeal on the basis of errors in law. That is something that this government would always preserve.

The Chair (Ms. Soo Wong): Any other questions and comments to motion 14? Seeing none, I'm going to call the question. All those in favour of motion 14? All those opposed? The motion is defeated.

I'm going to go back to schedule 9, section 8. Are there any questions to schedule 9, section 8? Seeing none, I'm going to call the question. Shall schedule 9, section 8, be carried? All those in favour of schedule 9, section 8? All those opposed? Carried.

There are no motions before us for schedule 9, sections 9 to 11. Are there any questions and comments before I call the question? Seeing none, I'm going to call the question. Shall schedule 9, sections 9 to 11, be carried? All those in favour? Opposed? Carried.

I believe, Ms. Fife, you have motion 15.

Ms. Catherine Fife: I move that subsection 12(3) of schedule 9 to the bill be struck out.

This section requires that any licensee applicant under this act must pay for any due diligence conducted by the regulatory body. Given the state of the horse racing industry under this government's lack of action, this is a sizeable financial burden. Really, it's sort of adding insult to injury to an already compromised sector. I definitely think that the government should find its way to support this motion.

The Chair (Ms. Soo Wong): Any other questions and comments to motion 15? Ms. Albanese.

Mrs. Laura Albanese: We won't be voting for this motion, unfortunately. That's because this provision replicates similar provisions in other statutes overseen by the Alcohol and Gaming Commission of Ontario, such as the Liquor Licence Act and the Gaming Control Act.

These provisions are necessary to enable the AGCO to recover the cost it incurs to ensure that an applicant is suitable for licensing, and they have been in place for some time.

The Chair (Ms. Soo Wong): Ms. Munro?

Mrs. Julia Munro: I think that there are a couple of issues in this amendment that should be supported. One of the things that has come up in the previous discussions of the amendments has been the issue of an appeal. This is a fundamental contradiction of the principles of being able to appeal, when you have to pay and you may not even be found guilty. I think there's a principle risk in this part of this item.

The other thing that I would just offer is that while the importance of having horse racing as part of the gaming experience was mentioned—you're talking about live-stock; you're not talking about slot machines. I think that more of the emphasis has to go on what exactly is that kind of difference—a fundamental difference when you're talking about courts and tribunals and established circumstances. So I think that this particular amendment should be given the kind of attention it deserves by the government.

1510

The Chair (Ms. Soo Wong): Okay. Any questions? Ms. Fife.

Ms. Catherine Fife: Just one final comment. I think I need to get it on the record that horse people have said to us that when they read this particular part of the bill, where if they're a licensee and they're applying under this act, they're going to have to pay the due diligence for the regulatory body to just do the regular work—what the horse people have said to us is, “Hasn't this government done enough to us? Haven't they done enough harm to us?” And, now, this is adding insult to injury.

It really defies all logic as to why the government is going down this road.

The Chair (Ms. Soo Wong): Any other questions and comments to motion 15? Seeing none, I'm going to call the question. All those in favour of motion 15? All those opposed? Defeated.

Schedule 9, section 12: Are there any questions and comments before I call the question? Seeing none, I'm going to call the question. Shall schedule 9, section 12, carry? All those in favour? Opposed? Carried.

Now we're on schedule 9, sections 13 through 24. There are no motions to these sections and I am going to assume—I'm going to double-check to make sure it's okay with the committee—that we're going to vote on them collectively. Is that good with everybody?

Any questions and comments to schedule 9, sections 13 to 24? Seeing none, I'm going to call the question. Shall schedule 9, sections 13 through 24, carry? All those in favour? Opposed? Carried.

We have motion 16. Ms. Fife, do you want to read it into the record?

Ms. Catherine Fife: I move that schedule 9 to the bill be amended by adding the following section:

“Tribunal composition

“24.1 The tribunal shall ensure that at least one member of any panel hearing a matter under this act has experience and expertise in matters related to horse racing.”

Madam Chair, this builds on a similar motion that we put forward. Fundamentally, we believe that if you're going to be involved in an industry which is very unique, like the horse racing industry, it's important that decision-making adequately reflects the concerns of the industry. Section 24.1 is a reflection of that.

Once again, it's an ounce of prevention, really. We saw how much damage this government did when they arbitrarily removed the SARP program from the horse

racing industry; the trickle-out damage that actually happened, the lives that were negatively impacted, the jobs that were lost, the economic drivers that were compromised. It is not too much for horse people in the province of Ontario to ask that one of their own, someone with experience, be part of this panel. This is just common sense, pure and simple.

The Chair (Ms. Soo Wong): Any other comments? Okay, I'm going to start with Ms. Hoggarth, then Mr. Yakabuski. Ms. Hoggarth?

Ms. Ann Hoggarth: I would recommend voting against this motion, the reason being that the Adjudicative Tribunals Accountability, Governance and Appointments Act, 2009, already speaks to this concern. I understand where the member across the way is coming from, but this act requires that appointments to Ontario's adjudicative tribunals, like the Licence Appeal Tribunal, be competitive and merit-based, and that the criteria for appointments include “Experience, knowledge or training in the subject matter and legal issues dealt with by the tribunal,” Subsection 14(1), paragraph 1. Accordingly, this provision would appear to be unnecessary.

The Chair (Ms. Soo Wong): Okay. Mr. Yakabuski?

Mr. John Yakabuski: I don't have the copy of that in front of me but I would question whether it's been acted upon in that regard by this government. I don't know if Ms. Fife made the point or not, but I'm certain that she wants to. The criteria for too many tribunals in this province are not what you know about—in this case, horses or horse racing—but what horse you bet on in the last provincial election. Quite frankly, there's just way too much of this. Are we going to turn this into the economic development fund, where it's who you know, whether or not you get a grant of millions and millions and millions of dollars—

The Chair (Ms. Soo Wong): Mr. Yakabuski, please stay on the motion.

Mr. John Yakabuski: I am, absolutely. Well, it's the motive behind the motion. I'm not speaking for the third party, but I understand why they're saying this. They want to make sure that on this panel, there are people who understand what they're adjudicating on. What better way than to make sure that there are people on this panel who understand the horse racing industry, have come from within? They've lived that life. They've been in the stalls; they've been in the stables. They understand what it's like to shovel a little bit of manure, and not the same way that the Liberals do, but in the real sense, so that there's some real expertise on this panel. I think that she's right in this motion.

The Chair (Ms. Soo Wong): I've got two more speakers: Ms. Hoggarth, and then Ms. Vernile.

Ms. Ann Hoggarth: I was just going to say that the AGCO intends to appoint racing industry experts to the HRAP. However, it does not yet exist.

The Chair (Ms. Soo Wong): Thank you. Ms. Vernile?

Ms. Daiene Vernile: Mr. Yakabuski is saying that he wants to see expertise on the panel, and that is what you

are going to see. That's according to the Adjudicative Tribunals Accountability, Governance and Appointments Act, as mentioned by Ms. Hoggarth. If you look at this, it requires that anyone who is going to be on this tribunal have expertise and knowledge, and be there because of merit. Again, just to stress, if you're looking for where this is illustrated, it is in subsection 14(1), paragraph 1.

So, for that reason, this motion isn't necessary; it's already addressed. The people who are going to be on that panel are required to have knowledge and expertise.

The Chair (Ms. Soo Wong): Ms. Fife first: Ms. Fife?

Ms. Catherine Fife: I think the issue is that it's not clearly outlined, actually, around horse racing, because this is a merger, and you have to remember that. The government is dissolving the Ontario Racing Commission. It's bringing it under alcohol, gaming and racing around governance. This is new for this particular agency to take on racing. This government does not have a strong track record on making decisions that are in the best interests of the horse racing industry.

At the end of the day, this commission will have the power to set out the powers for investigators and inspectors to enforce the act, and it outlines the corresponding offences for contraventions. So you actually have to know what you're talking about. For the government to say, "Just trust us"—that just will never happen, for the sector or for us on this side of the table.

The Chair (Ms. Soo Wong): Mr. Yakabuski.

Mr. John Yakabuski: Yes, to Ms. Vernile's point: That's legislation that already exists that compels the appointments of panellists to have expertise.

We don't have enough time here to go through every appointment that has been made by this government to any panel or committee or whatever since 2009. But if you think that every person in all of those appointments—I know many of them—if you think they actually have expertise, other than that they know where the nearest Liberal Party office is, you're sorely mistaken. That might be entrenched in legislation, but it has not been followed.

So if we specifically dealt with this, that in this case, in this bill, you must have expertise in the horse racing industry, it wouldn't matter what you had in that bill from 2009 or that legislation from 2009. This would be industry-specific, to an industry that has been hurt badly by this government—the one that would say, "Okay, we get it. We haven't done everything, maybe, that is in the best interests of your industry, but here's something we are going to do. We're going to ensure that there will be a person on that panel that has very, very significant and deep roots in the horse racing industry."

I think that would be a positive thing for you people to actually say to that industry: "You know what? We are listening. We want to make sure that somebody on that panel has a solid foundation in the horse racing industry."

The Chair (Ms. Soo Wong): Any other comments? Ms. Vernile.

Ms. Daiene Vernile: I think that to project into the future—perhaps you have a crystal ball that we don't

know about—but to project that this is not going to happen, that's not very hopeful. I would say, look forward to the AGCO and its intention to appoint a horse racing expert, or experts, to the HRAP; however, it does not exist yet.

1520

The Chair (Ms. Soo Wong): Any more questions and comments to motion 16?

Mr. John Yakabuski: I'm done.

The Chair (Ms. Soo Wong): All right. I'm going to call the question. All those in favour of motion 16? All those opposed to motion 16? Motion is defeated.

There are no motions before us on schedule 9, section 25. Are there any questions and comments? Seeing none, I'm going to call the question. All those in favour of schedule 9, section 25? Opposed? Carried.

We just have some administrative stuff that the Clerk has to advise the opposition on dealing with motions 17 and 18, okay?

Ms. Daiene Vernile: Can we take a little break?

The Chair (Ms. Soo Wong): No, we can't take a break, okay? This is time-allocated.

We are going to stand down motions 17 and 18 because they make references to section 33, just so everybody knows.

Do we any questions and comments to schedule 9, section 27? There is no motion before the committee. I'm going to call the question. No questions and comments to schedule 9, section 27. All those in favour of schedule 9, section 27? All those opposed? Motion carried.

Just to reiterate, we are standing down motions 17 and 18. We're going right now to motion number 19. Mr. Yakabuski or Mrs. Munro, do you want to read it into the record?

Mrs. Julia Munro: I move that section 29 of schedule 9 to the bill be amended by striking out "on reasonable grounds" and substituting "on reasonable and probable grounds".

The Chair (Ms. Soo Wong): Any questions and comments to motion number 19? Mrs. Albanese?

Mrs. Laura Albanese: Yes, thank you, Madam Chair. We will be voting against this motion because section 29 would enable an AGCO "investigator who is lawfully present in a place or conveyance ... in the execution of" his or her duties to, "without a warrant, seize anything in plain view that the investigator believes on reasonable grounds will afford evidence relating to a contravention of this act or the regulations or the rules of racing."

The term "reasonable grounds" is currently used in other statutes that the AGCO administers, such as the Liquor Licence Act and the Gaming Control Act, and this would ensure the same standard of integrity and safety for the horse racing industry.

The Chair (Ms. Soo Wong): Mr. Yakabuski?

Mr. John Yakabuski: All we're asking for here is that the people of the industry have the same protection as they would under other criminal statutes, especially since, as I've said—and I have to repeat the point—this industry has been injured significantly by the actions of

this government. It's a little bit of an olive branch to say, "We'll afford you this." There's a mistrust out there. So why could we not add the words "probable grounds," substituting "reasonable grounds" with "on reasonable and probable grounds"? It would be a way of actually saying to the industry, again, "We get it. We've been tough on you. We've put a lot of people out of work in your industry."

Now, if an investigator is going to be able to lay charges under your own act, under this legislation, we want to make sure they have the same kind of evidence—that they're using the same kind of evidence-based process—as they would if laying a criminal charge in the general population. Reasonable and probable grounds: That's the standard for a crown. I would expect that is something that the government would actually—forget about the notes that the corner office has sent you. Just—

Mrs. Laura Albanese: The coroner's office?

Mr. John Yakabuski: The corner office up on the second floor.

The Chair (Ms. Soo Wong): Stay focused. Mr. Yakabuski, can you please stay focused on motion 19?

Mr. John Yakabuski: I am focused on the bill. I'm—

The Chair (Ms. Soo Wong): I don't want you to talk about the corner office. Stay focused on—

Mr. John Yakabuski: Well, I have to, because that's where the notes came from. I'm thinking, if they just forget about the corner office for a moment—

The Chair (Ms. Soo Wong): No, I want you to stay focused on motion 19.

Mr. John Yakabuski: —and just think about the bill and the horse racing industry, maybe we'll get this amendment through. Just destroy all your notes and do something that's right for the industry. Try that for a change.

The Chair (Ms. Soo Wong): Any other questions and comments on motion 19?

Mr. Peter Z. Milczyn: Point of order.

The Chair (Ms. Soo Wong): Yes, Mr. Milczyn.

Mr. Peter Z. Milczyn: The lack of infrastructure funding by the previous Conservative government in this building is causing these disturbances which make it difficult—

Mr. John Yakabuski: That's not a point of order.

The Chair (Ms. Soo Wong): All right, everybody. We have about 30 minutes, then there will be no more comments. Let's be respectful. We have motion number 19 before us. Any more questions and comments? Ms. Albanese.

Mrs. Laura Albanese: I want to say, with notes or without notes, this government is committed to a stable, thriving horse racing industry. The reason for voting against this motion is simply because it would be, in a way—the term "reasonable grounds" is the same that is used for other statutes that are governed by the AGCO. It doesn't mean any lack of respect and it doesn't mean that it diminishes anyone in any way.

The Chair (Ms. Soo Wong): Mr. Yakabuski?

Mr. John Yakabuski: I think we should be working under AGCO. All good, compassionate Ontarians would accept this amendment: A-G-C-O.

The Chair (Ms. Soo Wong): Okay. Any other questions and comments to motion number 19? Seeing none, I'm going to call the question. All those in favour of motion number 19? All those opposed? Defeated.

Shall schedule 9, section 29, carry? Are there any questions and comments first? Seeing none, I'm going to call the question. Shall schedule 9, section 29, carry? All those in favour? All those opposed? Carried.

Now, I believe there are no motions before us for schedule 9, sections 30 to 32. I'm just going to focus on—Ms. Fife, you have some comments?

Ms. Catherine Fife: Thank you, Madam Chair. We would recommend voting against section 30 of schedule 9. Section 30 provides investigators with extraordinary privileges outside of the normal court process. We've heard very clearly from our stakeholders in the horse racing industry, because we consulted, that a warrant should be obtained if searches are going to be conducted. This seems like such a common sense recommendation. So we will be voting against section 30 in its entirety for that very reason.

The Chair (Ms. Soo Wong): Okay. Any other questions? Ms. Albanese?

Mrs. Laura Albanese: Yes, I would really like to point out that this schedule—it is not intended that the power to carry out warrantless searches would be used frequently. However, on occasion, it may be necessary to conduct a warrantless search; for example, before the horse and equipment under investigation are transported to a racetrack outside of Ontario where the AGCO has no jurisdiction.

Similar provisions are found in a number of other Ontario statutes, and I'll name a few: the Consumer Protection Act, the Food Safety and Quality Act, and the Dog Owners' Liability Act.

1530

The Chair (Ms. Soo Wong): Any other questions and comments to schedule 9, section 30? Mr. Yakabuski.

Mr. John Yakabuski: We're talking about warrantless search here. It just becomes too convenient to say that it was impractical to obtain a warrant. When you give someone that power to actually conduct a search without warrant, having that kind of power and to be able to exercise that discretion, what happens, unfortunately, is that it becomes the fallback, "Oh, don't worry about it. We have the power to go without a warrant because we'll just let them know that there were exigent circumstances and it was impractical to get a warrant."

So why wouldn't we just remove that and expect people to get a warrant?

The Chair (Ms. Soo Wong): Ms. Fife?

Ms. Catherine Fife: I think that I've heard the government say, "Well, it's not intended for this to be used often." That's a very open-door statement.

For instance, if a complaint did come forward about a warrantless investigation—because investigators will

have extraordinary privileges in this regard; that's what will happen with this particular section—then, if they want to complain to the regulatory body, to add insult to injury, they're going to have to pay for any due diligence conducted by the regulatory body.

You can see that this particular section is, obviously, a huge poison pill for us—not that we would support this budget bill because it doubles down on the sell-off of Hydro One—but this is a worrisome trend, that the government would open that door for warrantless searches. It's a violation of citizens' rights and it will just end up with more legal court cases, as far as I can see. I think it's important for us to get the position of horse people on the books on this one.

The Chair (Ms. Soo Wong): Are there any questions and comments for schedule 9, section 30? I'm just going to focus on that particular section. Seeing none, I am going to call the question. Shall schedule 9, section 30, be carried? All those in favour? All those opposed? Carried.

Now, we're dealing with schedule 9, sections 31—
Interjection.

The Chair (Ms. Soo Wong): His time is expired.

So we're going to deal with schedule 9, sections 31 and 32. There are no motions before the committee. Is it all right with committee that we bundle them to vote? Are there any questions and comments for these two sections? Seeing none, I'm going to call the question. Shall schedule 9, sections 31 and 32, be carried? All those in favour? Opposed? Carried.

I'm now at schedule 9, section 33. I believe, Ms. Fife, that you have some comments to make about section 33.

Ms. Catherine Fife: No, that's PC.

The Chair (Ms. Soo Wong): So Mr. Yakabuski or Ms. Munro?

Mr. John Yakabuski: Oh, I can't anymore.

The Chair (Ms. Soo Wong): You can speak—

Mr. John Yakabuski: Oh, I can speak?

The Chair (Ms. Soo Wong): You can speak, but you can't vote.

Mr. John Yakabuski: We're recommending voting against—

Interjection.

The Chair (Ms. Soo Wong): Ms. Scott.

Ms. Laurie Scott: Section 33 is the one that allows the government to hold on to seized property, regardless of the content. Not only are they going in under warrantless entry, they are now going to be able to seize property and it may not even have anything to do with the investigation. So we definitely want section 33 removed.

The property that's seized could actually not have anything to do with the investigation and, yet, they're going to seize it and then you have to apply for it back, and some people may not understand that they do have to apply for it back.

In that section—that actually is the property seizure. It's an incredibly heavy hand. There's no need for this to happen in the industry. It hasn't happened before. I

understand what the government says about making it all seamless, with similar rules for everything. We obviously have been arguing against that, that horse racing is separate, but really, the seizure can come in and take the property and the possessions, without any evidence, even. We're certainly against—

Mr. John Yakabuski: And they have to apply.

Ms. Laurie Scott: Yes, and they have to apply, which they may not all know, right? They may have to hire a lawyer. It's just a process. It's very unnecessary, so we ask for at least that section to be removed.

The Chair (Ms. Soo Wong): Mr. Baker.

Mr. Yvan Baker: The schedule is important because if the section is removed, owners of the property seized would be in an uncertain position as to what steps to take in order to get their belongings back. Section 33 actually parallels a similar provision in the Liquor Licence Act, which the AGCO also administers. So this is really about allowing people to get their possessions back. That's why we would support the section.

The Chair (Ms. Soo Wong): Are there any other questions or comments on schedule 9, section 33? Seeing none—oh, Mrs. Munro.

Mrs. Julia Munro: Yes. I just wanted to comment that this is really similar to being found guilty and having to prove your innocence, when property can be seized and you have to apply to get it back and pay for getting it back, whether you've done anything wrong or not.

The Chair (Ms. Soo Wong): Any other questions or comments to schedule 9, section 33?

Mr. John Yakabuski: When I found out that I wasn't completely expired, I did want to take the opportunity to say one final word to my friends on the other side of the committee.

As my friend Ms. Scott says, this is the heavy hand. Within 30 days of a seizure authorized under this act, you must make an application to have that property returned—and it is only if it meets the five criteria here which I won't even bother reading. But again, there are criteria under which it will be returned, and only if the court is satisfied that these criteria are met.

Wow. I mean, how many times do you want to kick this industry? Can you not show some faith in this industry? Is it always that you're going to assume these people are guilty and act accordingly, or are you going to assume that there are good, honest, hard-working people who make up this industry and treat them with the kind of respect they deserve? But these kinds of sections in your law—heavy hand? I have another word for it, but it wouldn't be parliamentary, so I'll just hold it to myself.

The Chair (Ms. Soo Wong): Thank you. Any questions or comments on schedule 9, section 33? Seeing none, I'm going to call the question.

All those in favour of schedule 9, section 33? All those opposed? Carried.

Ladies and gentlemen, because schedule 9, section 33, has carried, motions 17 and 18 are now ruled out of order. Okay?

My apologies. Sorry about this. Mr. Yakabuski, do you want to read this into the record—

Mr. John Yakabuski: I can't.

The Chair (Ms. Soo Wong): Mrs. Munro.

Mr. John Yakabuski: But I did want to say I heard Ms. Albanese say she agreed—

The Chair (Ms. Soo Wong): Mr. Yakabuski, let Mrs. Munro read—

Mr. John Yakabuski: —so from now on, everything—

The Chair (Ms. Soo Wong): Mr. Yakabuski, let Mrs. Munro read it into the record, please.

Mrs. Julia Munro: I move that subsection 26(8) of schedule 9 to the bill be amended by striking out “subject to section 33”.

The Chair (Ms. Soo Wong): All right. Any questions or comments to motion 17?

Interjections.

The Chair (Ms. Soo Wong): Motion 17. We're going back to 17. Sorry.

Interjection: We're going back?

1540

The Chair (Ms. Soo Wong): Yes, because it was stood down. Remember? We were dealing with section 33. Okay.

Mrs. Munro has the floor. Mrs. Munro.

Mrs. Julia Munro: Yes. I just wanted to emphasize the fact that section 33 could be used to seize property during an investigation that has nothing to do with the investigation, and then it becomes crown property unless the owner applies for it. So it's these kinds of fundamental issues that are behind our position on this section.

The Chair (Ms. Soo Wong): Thank you. Ms. Albanese?

Mrs. Laura Albanese: The proposed subsection 26(8) enables an inspector conducting an inspection to seize anything that the inspector reasonably believes not to be in compliance with this or with any other act or the regulations or the rules for racing, or even section 33, and to dispose of the things seized in accordance with the direction of the registrar, subject to anything provided for in the regulations.

We're committed to ensuring that all gaming activities in Ontario are conducted in accordance with the principles of integrity, honest and transparency, and this is essential to ensuring the safety of the horses and that the rules of the industry are upheld. It's for the safety of the horses, and for the rules of the industry, so that they can be upheld.

The Chair (Ms. Soo Wong): Any other questions and comments to motion 17? Seeing none, I'm going to call the question. All those in favour of motion 17? All those opposed? Defeated. The motion is now defeated.

Shall schedule 9, section 26, carry? Are there any questions and comments to this particular section, 26? Seeing none, I'm going to call the question. Shall schedule 9, section 26, carry? All those in favour? All those opposed? Carried.

We're now on motion 18 on schedule 9, section 28. Ms. Munro, can you read it into the record?

Mrs. Julia Munro: I move that subsection 28(11) of schedule 9 to the bill be amended by striking out “Subject to section 33” at the beginning.

The Chair (Ms. Soo Wong): Any questions and comments to motion 18? Ms. Albanese.

Mrs. Laura Albanese: Madam Chair, I just would like to comment that striking out “Subject to section 33” again would not be able to ensure the safety of the horses and that the rules of the industry are upheld. We will be voting against this motion because of that.

The Chair (Ms. Soo Wong): Any other comments? Ms. Scott.

Ms. Laurie Scott: I mean, really, the safety of the horses—that's the excuse? I mean, somebody can come in—

Mrs. Laura Albanese: It's not an excuse; it's reasonable. It's not an excuse.

Ms. Laurie Scott: Someone can come in and seize their property—and I'm not going to speak long on this. They make the decision. They seize the vehicle; they seize the horses. And then you have to apply to get them back if you meet certain criteria. This is unfounded, why this needs to come in. I don't know what precedents you're using that it has to come in this way, but I just want to say that if you keep saying “the safety of the horses”—really, that's not the argument here.

The Chair (Ms. Soo Wong): Ms. Albanese.

Mrs. Laura Albanese: I just wanted to point out, Madam Chair, that we're speaking to motion 18. According to this subsection, 28(11), an investigator who seizes something may make a copy of it “and shall return it within a reasonable time or shall dispose of it in accordance with the direction of the registrar, subject to anything provided for in the regulations.”

It is not that they can do anything they want. That's not—

Ms. Laurie Scott: That's okay. We're in a time crunch.

The Chair (Ms. Soo Wong): Any other questions and comments to motion 18? Seeing none, I'm going to call the question. All those in favour of motion 18? All those opposed? Carried—no, defeated.

Interjections.

The Chair (Ms. Soo Wong): Almost.

All right, I'm going back to schedule 9, section 28. Are there any questions and comments to this particular section? We're dealing with schedule 9, section 28. Any questions and comments? Seeing none, I'm going to call the question. Shall schedule 9, section 28, carry? All those in favour? All those opposed? Carried.

I believe there are no motions before us from schedule 9, sections 34 through 40. So let's go back. Schedule 9, sections 34 through 40: There are no motions before us. Can we bundle them in the vote?

Interjections: Yes.

The Chair (Ms. Soo Wong): All right. Any questions and comments to these sections? Seeing none, I'm going

to call the question. Shall schedule 9, sections 34 through 40, be carried? All those in favour? All those opposed? Carried.

We now have motion number 20 before us. I believe, Ms. Fife, you want to read it into the record.

Ms. Catherine Fife: I move that subsection 41(3) of schedule 9 to the bill be amended by striking out “or to imprisonment for a term of not more than one year, or to both”.

Madam Chair, this is a harsh determination, I would say. I think it's worth noting that under the Racing Commission Act, which this schedule essentially replaces, individuals participating in the horse racing industry were not subject to an imprisonment sentence. Subsection 41(3) seems incredibly unwarranted, given the nature of the industry and its track record.

I feel like this is becoming a little bit of a kangaroo court here, I have to say. To be so prescriptive around penalties and jail time makes me think of the death tax, and if you don't file your taxes on time, you get sent to jail while you're grieving.

Perhaps this was an oversight. Perhaps they were looking to align the pieces of legislation. But just because the horse people are coming under this new agency doesn't mean that they have to be prescribed as to how long they go to jail for.

It's unfortunate that this bill is time-allocated and that we have only 12 more minutes left, because there are some serious infractions that the sector is very concerned about in this bill, and certainly, jail time is one of them. Thank you.

The Chair (Ms. Soo Wong): Mr. Baker?

Mr. Yvan Baker: Just for clarification, subsection 41(3) currently provides that every individual convicted of an offence under this act is liable to a fine of not more than \$50,000 or to imprisonment for a term of not more than one year, or to both. Were this motion to be approved, imprisonment would no longer be available as a penalty.

There are some pretty serious offences that can occur here, Chair, things like cruelty to animals, neglect of a racehorse, benefiting financially from the outcome of a race. These are pretty serious offences. This goes to the integrity of horse racing. It goes to the safety and health of animals; it goes to animal welfare. Having imprisonment as an option, I think, is important. Just as a point of—

Interjections.

Mr. Yvan Baker: If I may finish, please. By way of comparison, imprisonment is actually available as a penalty under a number of other statutes, including the Livestock Medicines Act, the Ontario Society for the Prevention of Cruelty to Animals Act—again, about preventing cruelty to animals—and the Gaming Control Act.

So this goes to some potentially serious offences, like animal cruelty, like the integrity of gaming, that you would want to preserve and under which you would want to have that penalty available.

The Chair (Ms. Soo Wong): Ms. Fife.

Ms. Catherine Fife: This, for me, is an indication that the government clearly doesn't understand how serious this is, because animal cruelty charges have always been allowed under the Ontario Racing Commission Act. That was always the case, and never would it have been so prescriptive that it would be “imprisonment for a term of not more than one year, or to both.”

The fines have always been there; the threat of charges and imprisonment have always been there, but not prescribed in this manner as it relates to the gaming commission. These guidelines do not exist for gamblers, and yet they're certainly now going to come under for horse people who actually are in the field.

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The Chair (Ms. Soo Wong): Mr. Yakubuski?

Mr. John Yakubuski: I concur with Ms. Fife. I mean, this is an overreach. There is already that kind of protection in other statutes—Mr. Baker alluded to it himself—under the protection of cruelty to animals, or whatever the statute is; I didn't get the exact name of the statute. But the provision for significant fines and/or jail does exist. This is just an adding on and is pandering on the part of the government. That's what it is: pandering to what they see as a vote base. There's no need for this to be in this legislation. You already have the protection; the animals have the protection under existing legislation. There is no need for it to be in this section dealing with the AGCO—no need whatsoever. It is already under cruelty-to-animals legislation in existence, so why would it have to be by statute here? You have that ability today. Investigators are not prohibited from visiting racetracks or anywhere where animals are kept. They can go to a farm; they can go anywhere. They have that under the statute today, so why would we need that in this statute? Clearly, it is pandering on the part of the government.

The Chair (Ms. Soo Wong): Mr. Baker?

Mr. Yvan Baker: I'm just going to say that I think that it is necessary. I think protecting animal welfare is important—

Interjection.

Mr. Yvan Baker: I'd just like to finish, if I may. This is the third time I've spoken and the third time I've been interrupted.

The Chair (Ms. Soo Wong): Mr. Yakubuski, let him finish.

Mr. Yvan Baker: I think protecting animal welfare is critical. I don't think this is something we want to take chances with and I think that's why the section should remain as we recommended.

The Chair (Ms. Soo Wong): Do you want to speak again, Mr. Yakubuski?

Mr. John Yakubuski: Are we implying that the statutes that are on the books today are weak or that they don't protect the animals? What are you implying? You say you don't want to take chances. The statutes are there. They are clear. There is no ambiguity there. They have that power. So when you say you don't want to take chances, are you suggesting that the power that exists

under other statutes is not strong enough? Or are you questioning whether or not it is enforceable? Because it's there.

The Chair (Ms. Soo Wong): Mr. Baker?

Mr. Yvan Baker: I'm just suggesting that this is an appropriate way to protect animal welfare and other significant actions that may require a serious penalty.

The Chair (Ms. Soo Wong): Any more questions and comments on motion 20? Seeing none, I'm going to call the question. All those in favour of motion 20? Mr. Yakabuski, you can't vote. All those opposed to motion 20? Defeated.

Shall schedule 9, section 41, carry? Any questions and comments? Seeing none, shall schedule 9—Ms. Fife, the Clerk said you wanted to speak. No? She said no.

I'm sorry. Ms. Munro, you wanted to speak? I heard you wanted to speak about section 41.

Mrs. Julia Munro: No, we're just voting against.

The Chair (Ms. Soo Wong): Okay. All right, I'm going back. We're on schedule 9, section 41. I'm calling the questions. Shall schedule 9, section 41, carry? All those in favour? Opposed? Carried.

We're now dealing with schedule 9, section 42. Are there any questions and comments for this particular section? Seeing none, I'm going to call the question. All those in favour of schedule 9, section 42? All those opposed? Carried.

We have a motion before us, motion 21. Ms. Fife, do you want to read it for the record?

Ms. Catherine Fife: I move that section 43 of schedule 9 to the bill be amended by adding the following paragraph:

"4. The commission replaces the Ontario Racing Commission as party to any memorandum of understanding entered into by the Ontario Racing Commission under the Racing Commission Act, 2000 that was in effect immediately before this section came into force."

I think it's important to remember that this paragraph guarantees that any memorandum of understanding between government agencies such as the Ontario Racing Commission and the Ontario Horse Racing Industry Association continues when horse racing moves from the Ministry of Agriculture, Food and Rural Affairs to, essentially, the Ministry of Finance. I think that this would build a lot of trust, actually, from the industry and from the sector. It would also prevent further destabilization for horse people and for the sector going forward. This would provide some continuity, because it's a pretty big change to go from the Ministry of Ag and Food to the Ministry of Finance. We heard very clearly from our stakeholders that it's about respect, it's about grandfathering those agreements and it's about not further destabilizing the horse industry.

The Chair (Ms. Soo Wong): Any questions or comments? Mr. Baker.

Mr. Yvan Baker: I'm just going to say that this amendment isn't needed. Where appropriate, such memoranda of understanding will be renegotiated when the act comes into force, in keeping with Management

Board of Cabinet's agencies and appointments directive and with the government's direction concerning the Horse Racing Partnership Plan.

The Chair (Ms. Soo Wong): Ms. Fife?

Ms. Catherine Fife: That's exactly what the horse racing sector is afraid of, this renegotiation, because they don't trust the Ministry of Finance to understand their industry as well as they should, and they fear losing further ground from an economic perspective and from a jobs perspective.

The Chair (Ms. Soo Wong): Any questions and comments to motion 21? Seeing none, I'm going to call the question. All those in favour of motion 21? All those opposed to motion 21? The motion is defeated.

We're now back to schedule 9, section 43. Are there any questions and comments to this particular section before I call the question? Ms. Fife.

Ms. Catherine Fife: Just one final comment. Obviously we've brought a number of amendments forward on schedule 9. I think it's really important for people to understand that this is how governments get in trouble: when they don't consult. We have tried at this table to bring forth some fairly rational and reasonable amendments to ensure that no further damage happens to the horse racing industry.

When we reached out and spoke to people in the horse racing industry, there was no understanding of why the government is transitioning oversight of this industry from the Ministry of Agriculture, Food and Rural Affairs to the Ministry of Finance.

What happens, especially because it's been time-allocated—I think I have two minutes to speak to a major policy change in this sector. There is no understanding of why the Ontario Racing Commission is being dissolved and there's no understanding of why horse people who have a deeper understanding of the industry and its needs aren't even at the table. It does beg the question—it really does—what is the motivation to once again put the horse racing industry and horse people, who actually are very connected to almost every sector in the province of Ontario and want to be part of a conversation where they contribute to the economy, where they are respected by the government—all they are getting today are platitudes from this government.

The lack of consultation I think will lead to further degradation of the sector. We will not be supporting it, and I can't speak strongly enough against this schedule.

The Chair (Ms. Soo Wong): Mr. Baker?

Mr. Yvan Baker: The Horse Racing Licence Act was brought forward to fulfill the government's objective of restructuring horse racing in Ontario and integrate it with the broader gaming industry. I think my colleagues, and particularly my colleague Ms. Albanese, have spoken extensively as to why we're doing this. As a result, the Horse Racing Licence Act and the related amendments are needed to carry out part of this restructuring. That's why we believe this section is important.

The Chair (Ms. Soo Wong): Any other questions and comments dealing with schedule 9, section 43? Seeing

none, I'm going to call the question. Shall schedule 9, section 43, be carried? All those in favour? All those opposed? Carried.

There are no motions before us on schedule 9, sections 44 to 49. Are there any questions and comments? Seeing none, I'm going to be calling the question for those sections. Shall schedule 9, sections 44 to 49, be carried? All those in favour? All those opposed? Carried.

Shall schedule 9 be carried? All those in favour—you can't vote, Mr. Yakabuski. Can you put your hand down, please. Shall schedule 9 be carried? All those in favour? All those opposed? Carried.

Schedule 10, sections 1 through 4: There are no motions before this committee. Should we bundle them to vote?

Interjection: Yes.

The Chair (Ms. Soo Wong): Okay. Any questions and comments? Seeing none, I'm going to call the question. Shall schedule 10, sections 1 through 4, be carried? All those in favour? Opposed? Carried.

1600

Shall schedule 10 be carried? All those in favour? Opposed? Carried.

All right, ladies and gentlemen, pursuant to the order of the House, dated Thursday, November 26, 2015, I'm required to interrupt the proceedings and shall—

Interjections.

The Chair (Ms. Soo Wong): Excuse me—and shall, without further debate on amendments, put every question necessary to dispose of all remaining sections of Bill 144 and any amendments thereto.

From this point forward, those amendments which have not yet been moved shall be deemed to have been moved. I will, at this time, allow one 20-minute waiting period.

I need to hear from the committee: Do you want a 20-minute recess now or do we wait?

Interjection.

The Chair (Ms. Soo Wong): There's no discussion. There's no more recess after this.

I just want to check with the committee. There's only one 20-minute recess. So what is the will of the committee? Ms. Fife?

Ms. Catherine Fife: Just by way of clarification: From now on, we're just voting up and down. There's no more debate and there's no more discussion.

The Chair (Ms. Soo Wong): Yes.

Ms. Catherine Fife: I'm amenable either way. If people want to take a 20-minute break or if we can just get through this, I'm okay either way.

The Chair (Ms. Soo Wong): Okay. I've been instructed by the Clerk that there's only one 20-minute break from now until we finish. So whatever time we come back—there's only one 20-minute break. Mr. Baker?

Mr. Yvan Baker: We're fine to continue.

The Chair (Ms. Soo Wong): Mr. Baker says he's fine to continue. What is the will of the committee?

Ms. Daiene Vernile: Continue going.

The Chair (Ms. Soo Wong): I hear continuance. Okay.

Ms. Ann Hoggarth: Point of order.

The Chair (Ms. Soo Wong): Mrs. Hoggarth? There's no point of order. We're now in time allocation. There's no discussion. We're either going to go on a 20-minute break now or we're going to keep going.

Ms. Ann Hoggarth: I just wanted to see if we could bundle it—

The Chair (Ms. Soo Wong): Yes, we will do that because it's going to be all votes. That's how we're going to be doing it.

Okay. I hear we're going to continue, ladies and gentlemen. We're going to go through.

We're now on schedule 11, sections 1 through 7. There are no motions, so I'm going to call the question. Shall schedule 11, sections 1 through 7, be carried? All those in favour? All those opposed? Carried.

Shall schedule 11 be carried? All those in favour? Opposed? Carried.

There are no motions for schedule 12. I'm going to bundle all the sections. Shall schedule 12, sections 1 through 4, be carried? All those in favour? Opposed? Carried.

Shall schedule 12 be carried? All those in favour? Opposed? Carried.

There are no motions before us for schedule 13. We'll be voting on all the sections. Shall schedule 13, sections 1 through 4, be carried? All those in favour? Opposed? Carried.

Shall schedule 13 be carried? All those in favour? Opposed? Carried.

I'm going to just do sections 1 and 2 for schedule 14 only. Shall schedule 14, sections 1 and 2, be carried? All those in favour? Opposed? Carried.

I believe there are two motions for—motion 22.

Interjections.

The Chair (Ms. Soo Wong): Okay, I have been advised that's schedule 14, section 3, subsection 3.0.4(1.1) of the Liquor Control Act. All those in favour of this particular motion? Motion 22: All those in favour? All those opposed? It's defeated.

Now we're dealing with motion 23. It's schedule 14, section 3, subsection 3.0.4(3)—

Interjection.

The Chair (Ms. Soo Wong): I've been instructed that motion 23 is now out of order because it's dependent on motion 22. Motion 23 is out of order now, so I'm going back to schedule 14, section 3. Shall schedule 14, section 3, be carried? All those in favour? All those opposed? Carried.

We're now on schedule 14, sections 4 and 5. There are no motions before the committee. I'm going to call the question. Shall schedule 14, sections 4 and 5, be carried? All those in favour? Opposed? Carried.

Shall schedule 14 carry? All those in favour? Opposed? Carried.

We are now on schedule 15. There are no motions before the committee. Shall schedule 15, sections 1

through 4, be carried? All those in favour? Opposed? Carried.

Shall schedule 15 be carried? All those in favour? Opposed? Carried.

We are now on schedule 16, sections 1, 2 and 3. There are no motions before the committee. I'm going to call the question. Shall schedule 16, sections 1, 2 and 3, be carried? All those in favour? Opposed? Carried.

We are now on schedule 16, section 4. There is motion 24. So we're dealing with schedule 16, section 4, subsection 12.1(1) of the Ontario Lottery and Gaming Corporation Act, 1999. I'm going to call the question. Shall this motion be carried? All those in favour? All those opposed? Defeated.

We're now dealing with motion 25: schedule 16, section 4, subsection 12.1(1) of the Ontario Lottery and Gaming Corporation Act, 1999. This is motion 25. All those in favour of motion 25? All those opposed to motion 25? The motion is defeated.

We're now dealing with motion 26: schedule 16, section 4, subsection 12.1(2) of the Ontario Lottery and Gaming Corporation Act, 1999. All those in favour of motion 26? All those opposed to motion 26? The motion is defeated.

We are now dealing with motion 27. In my opinion, the motion before the committee can be characterized as a money bill motion, and pursuant to standing order 57, any motion that proposes to direct the allocation of public funds "shall be proposed only by a minister of the crown." I therefore rule this motion out of order. Motion 27 is out of order.

Shall schedule 16, section 4, be carried? All those in favour? All those opposed? Carried.

We are now on schedule 16, section 5. We have a motion before us, motion 28: schedule 16, section 5, subsection 12.2(1) of the Ontario Lottery and Gaming Corporation Act, 1999. This is motion 28. All those in favour? All those opposed? Defeated.

Shall schedule 16, section 5, be carried? All those in favour? All those opposed? Carried.

We're now dealing with schedule 16, section 6. We have three motions. Motion 29: This is schedule 16, section 6, subsection 12.3(1) of the Ontario Lottery and Gaming Corporation Act, 1999. All those in favour of motion 29? All those opposed? The motion is defeated.

We are now on motion 30: schedule 16, section 6, subsection 12.3(2) of the Ontario Lottery and Gaming Corporation Act, 1999.

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This is motion number 30. All those in favour of the motion? All those opposed? The motion is defeated.

We are now dealing with motion 31: Schedule 16, section 6, subsection 12.3(3) of the Ontario Lottery and Gaming Corporation Act, 1999. This is motion 31. All those in favour of motion 31? All those opposed to motion 31? The motion's defeated.

I'm now back to schedule 16, section 6. Shall schedule 16, section 6, carry? All those in favour? All those opposed? Motion carried.

We're now dealing with schedule 16, sections 7 to 11. Shall schedule 16, sections 7 to 11, carry? All those in favour? Opposed? Carried.

Shall schedule 16 carry?

Ms. Catherine Fife: Madam Chair, can I get a recorded vote on this, please?

The Chair (Ms. Soo Wong): There's a request for a recorded vote, Mr. Clerk. Shall schedule 16 carry?

Ayes

Albanese, Baker, Hoggarth, Lalonde, Vernile.

Nays

Fife.

The Chair (Ms. Soo Wong): The motion is carried. Schedule 16 is now carried.

We're now on schedule 17. Schedule 17, sections 1 through 3: There are no motions before the committee, so I'm going to call the question.

Shall schedule 17, sections 1 through 3, carry? All those in favour? All those opposed? Carried.

Shall schedule 17 carry? All those in favour? Opposed? Carried.

We are now dealing with schedule 18. There are no motions before the committee for schedule 18, so I'm going to bundle them for voting purposes.

Shall schedule 18, sections 1 through 11, carry? All those in favour? Opposed? Carried.

Shall schedule 18 carry? All those in favour? Opposed? Carried.

We're now dealing with schedule 19. There are no motions before the committee, so I'm going to be bundling them for voting purposes.

Schedule 19, sections 1 through 8: All those in favour? All those opposed? Carried.

Shall schedule 19 carry? All those in favour? Opposed? Carried.

We're now dealing with schedule 20. There are no motions before the committee, so I'm going to be bundling the vote.

Shall schedule 20, sections 1 through 10, carry? All those in favour? Opposed? Carried.

Shall schedule 20 carry? All those in favour of schedule 20? All those opposed? Carried.

We are now dealing with schedule 21, sections 1 through 12. There are no motions before the committee. I will be calling the question.

All those in favour of schedule 21, sections 1 through 12? All those in favour? All those opposed? Carried.

Shall schedule 21 carry? All those in favour? Opposed? Carried.

Now we are dealing with schedule 22, section 1. There are no amendments to this particular section. I'm going to call the question.

Shall schedule 21, section 1, carry?

Ms. Daiene Vernile: Schedule 22, section 1.

The Chair (Ms. Soo Wong): Thank you.

Shall schedule 22, section 1, carry? All those in favour? Opposed? Carried.

There are motions before us for motion 32, on schedule 22, section 1. I'm going to read that particular schedule—schedule 22, section 2(2), paragraphs 1 and 2 of the Trillium Trust Act, 2014. This is motion 32.

All those in favour of motion 32? All those opposed to motion 32? The motion is defeated.

Now we're dealing with motion 33. This is schedule 22, section 2, subsection 3(1) of the Trillium Trust Act, 2014. All those in favour of motion 33? All those opposed to motion 33? The motion is defeated.

Mr. Victor Fedeli: We'll be withdrawing 34.

The Chair (Ms. Soo Wong): Okay, 34 is now withdrawn. Thank you.

I am now dealing with motion 35. It's schedule 22, section 2, section 6, paragraph 1 of the Trillium Trust Act, 2014. All those in favour of motion 35? All those opposed to motion 35? The motion is defeated.

We are now dealing with motion 36: schedule 22, section 2, subsection 7(1) of the Trillium Trust Act, 2014. All those in favour of motion 36? All those opposed to motion 36? The motion is defeated.

I'm now dealing with motion 37: schedule 22, section 2, subsection 7(3) of the Trillium Trust Act, 2014. All those in favour of motion 37? All those opposed to motion 37? The motion is defeated.

I am now dealing with motion 38. This is schedule 22, section 2, subsection 7(3) of the Trillium Trust Act, 2014. All those in favour of motion 38? All those opposed to motion 38? The motion is defeated.

Shall schedule 22, section 2, be carried? All those in favour? All those opposed? Schedule 22, section 2, is now carried.

I believe we are now dealing with schedule 22, section 3. There are no motions before the committee. I'm going to call the question. Shall schedule 22, section 3, be carried? All those in favour? All those opposed? Carried.

Shall schedule 22 be carried?

Ms. Catherine Fife: Madam Chair, recorded vote.

The Chair (Ms. Soo Wong): Ms. Fife has asked for a recorded vote.

Mr. Victor Fedeli: Which one is this?

The Chair (Ms. Soo Wong): This is schedule 22, okay? Schedule 22 is now a recorded vote. Shall schedule 22 be carried?

Ayes

Albanese, Baker, Hoggarth, Lalonde, Vernile.

Nays

Fedeli, Fife, Munro.

The Chair (Ms. Soo Wong): Schedule 22 is now carried.

Now we're dealing with schedule 23. There are no motions for schedule 23, so I'm going to be bundling the votes.

Shall schedule 23, sections 1 through 10, be carried? All those in favour? All those opposed? Carried.

Shall schedule 23 be carried? All those in favour? All those opposed? Carried.

Interjection.

The Chair (Ms. Soo Wong): The Clerk has advised me that we have to vote on sections 1, 2 and 3. Is it all right with the committee if I bundle sections 1, 2 and 3 for voting purposes? Is that okay with everybody? I see a nod of the head.

All right, I'm going to call the question for sections 1, 2 and 3 of the bill. All those in favour of sections 1, 2 and 3 of the bill? All those opposed? Carried.

Shall the title of the bill be carried? All those in favour? All those opposed? Carried.

Shall Bill 144, as amended, be carried? All those in favour? All those opposed? Carried.

Shall I report the bill, as amended, to the House? All those in favour? All those opposed? Carried.

That's it. We are now done. The meeting's adjourned.

The committee adjourned at 1620.

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Standing Committee on Finance and Economic Affairs

Pre-budget consultations

Comité permanent des finances et des affaires économiques

Consultations prébudgétaires



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LEGISLATIVE ASSEMBLY OF ONTARIO

ASSEMBLÉE LÉGISLATIVE DE L'ONTARIO

STANDING COMMITTEE ON
FINANCE AND ECONOMIC AFFAIRSCOMITÉ PERMANENT DES FINANCES
ET DES AFFAIRES ÉCONOMIQUES

Monday 18 January 2016

Lundi 18 janvier 2016

The committee met at 0900 in the Sheraton Hamilton Hotel, Hamilton.

PRE-BUDGET CONSULTATIONS

The Chair (Ms. Soo Wong): I'm going to commence the committee, because we have a time sensitivity this morning so that we can be out of here to head to Windsor this afternoon. Good morning, and welcome to Hamilton. We're going to begin the 2016 pre-budget consultations.

SUBCOMMITTEE REPORT

The Chair (Ms. Soo Wong): I believe the first item on the agenda is the report of the subcommittee. Laura, are you going to move the report? Do you want to read the report first?

Mrs. Laura Albanese: Yes, I will read the report.

Your subcommittee on committee business met on Wednesday, December 2, 2015, to consider the method of proceeding on pre-budget consultation 2016, and recommends the following:

(1) That multiple requests to appear received from the same organization or individual be considered by the committee on a case-by-case basis.

(2) That the Clerk of the Committee, in consultation with the Chair, be authorized prior to the adoption of the report of the subcommittee to commence making any preliminary arrangements to facilitate the committee's proceedings.

The Chair (Ms. Soo Wong): Do we have any questions or comments on the subcommittee report? Ms. Fife.

Ms. Catherine Fife: Thank you, Chair. How many people were on the wait-list, then, for the Toronto date, on Wednesday, December 2?

The Chair (Ms. Soo Wong): I'm going to turn to the Clerk.

The Clerk of the Committee (Mr. Katch Koch): In Toronto, we had 160 requests. Out of 160, we scheduled 56, which was the maximum for the two days.

Ms. Catherine Fife: Okay. So, point number one, we're going to look at these case by case. The groups that you've already approved for the Toronto dates: Have they also appeared in other locations, like Sault Ste. Marie, Thunder Bay or here?

The Clerk of the Committee (Mr. Katch Koch): They have been identified for the subcommittee to make the selection. The point is to let the subcommittee members know that it is possible that groups may have applied at multiple locations. Ultimately, the decision was up to the subcommittee to make, whether to select one group for multiple locations.

Ms. Catherine Fife: Okay. Thank you.

The Chair (Ms. Soo Wong): Any other questions or comments to the subcommittee report? Ms. Vernile?

Ms. Daiene Vernile: I would just like to add to that. Our experience last year was that there were certain groups who appeared before us numerous times. In particular, the chiropractors come to mind. We heard from them over and over again, and they all seemed to have the same message in each of the communities that we travelled to. It might be a better use of our time and for those who are on the waiting list to specifically hear from people who have unique and original messages to give to us, as opposed to hearing the same thing said over and over again.

The Chair (Ms. Soo Wong): Any other questions and comments? Seeing none, someone needs to move the subcommittee report. Mrs. Albanese?

Mrs. Laura Albanese: I'll do it.

The Chair (Ms. Soo Wong): All right. All those in favour? Opposed? Carried.

AUTISM SERVICES WATERLOO REGION

The Chair (Ms. Soo Wong): I believe the first presenter is here: Autism Services Waterloo Region. Good morning. Welcome.

While you're taking your seat, I'm going to just remind all the witnesses here, and I know there will be others watching at home, that each of the presenters will be given 15 minutes for their presentations, followed by five minutes of questioning. It's on a rotating basis, so the first round of questions will be coming from the official opposition party.

Ms. Daiene Vernile: Chair, may I? I'm looking at the timing here, and it would appear that each presenter has 15 minutes, beginning to end. Is it—

The Chair (Ms. Soo Wong): It's 10 minutes of presentation, followed by five minutes. That's what the subcommittee has agreed to. The total is 15 minutes in a

slot, but they are only speaking for 10 to allow each party to ask questions.

Ms. Daiene Vernile: Okay. You said 15 minutes of speaking on their part.

The Chair (Ms. Soo Wong): No, 15 in total: 10 for presentation, followed by five minutes.

Before you begin, can you please identify yourself for the purposes of Hansard: your name as well as your position with Autism Services Waterloo Region. You may begin any time.

Ms. Barb Hill: My name is Barb Hill. I'm a volunteer with Autism Services Waterloo Region. I'm joined by Jayne Matzeg from KidsAbility and Iuliana Ghintuiala, one of our ASWR parents.

Autism Services Waterloo Region, also known as ASWR, is a successful inter-organizational collaboration and partnership from Waterloo region that is together for the purpose of improving the outcomes for families with autism. This is a vulnerable population where there are often complex and multiple diagnoses which often impact siblings and very much challenge marriages.

We have a mom here who will talk about what ASWR has done for her. KidsAbility is one of our backbone organizations; the other one is Extend-A-Family. Sadly, Maria is in bed with the flu today.

The original goal of ASWR was to increase community capacity to support our families with autism or a suspicion of autism, beyond direct service. Our vision is to achieve inclusion and belonging for everyone, critical to any healthy community.

The collaborative membership list is impressive. It includes all agencies serving this demographic, along with two boards of education, a University of Waterloo psychologist and Conestoga College. We've been meeting monthly for over six years, with two staff positions, including a family resource coach and a coordinator role.

There are three things I want you to take from this presentation: (1) an understanding of how the collaborative supports families; (2) the efficiencies it brings to agencies and service providers; and (3) clarity about what we need from the province.

Autism is not going away. Numbers are rising dramatically. We are a community with a significant growth rate of over 6,500 babies a year. Add to this immigrants and refugees. Kids are being diagnosed at an unprecedented rate, now at one in 77.

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ASWR provides many referrals and resources to families while on lengthy wait-lists for IBI and ABA. With ASWR as part of the system, we are achieving a seamless system of services that simply makes life easier for vulnerable families and invests in their future well-being.

Our family resource coach is a family-centred support line for families with or without a diagnosis. It provides a single point of contact for a full range of information resources. It is accessible. There are no age restrictions and no eligibility criteria. The family resource coach connects families to community-based resources, inclusive

of social and peer connections, which enhance a sense of community and belonging. Service is continuous and responsive. There is no wait-list, and families can call as many times as they need to.

There's a centralized resource pool for information on everything from autism-friendly dentists to recreation, sibling workshops and ABA.

The resource coach provides hope and alleviates anxiety for families. We know that this mitigates stress and other mental health risks downstream.

Now Iuliana will tell us about her experience.

Ms. Iuliana Ghintuiala: Thank you. My name is Iuliana, and I am a mother of an autistic boy, Andreas, who's 11. We came to Canada three years ago, and Andy got his formal diagnosis two years ago in Toronto.

We moved to Kitchener after his diagnosis and started looking for services specifically for special kids, and we came across KidsAbility. We went there, and we got an appointment with Katie Galashan, the family resource coach from ASWR, in less than one day.

In one hour with Katie, we were introduced to a whole new world. He was referred to ABA services. He got special services at home. We got help with the disability tax credit application. She helped us with the financial application for President's Choice, and later with Jennifer Ashleigh, so that we registered Andy for special hockey and swimming lessons, which he never got before. He joined Progressive Behavior for therapy and Firefly for social skills. Katie helped us connect with the best approach for Andy's IEP at school.

ASWR is very easy to access. It's just one call away or one email away. What Autism Services did for us is incredible. It opened a new world of opportunities for our son and a new horizon for us as parents. Without ASWR, we would be lost and without connections to other families.

Ms. Barb Hill: Thank you, Iuliana.

In 2009, over 300 families completed a survey identifying the gaps in service and information resources in the region. We've built a large collection of information resources for families on the ASWR website. This helps families self-serve, but it also helps us manage our staff capacity as demand rises, and eliminates duplication by individual agencies.

Any agency can refer families to ASWR. It is a one-stop information hub. This is value for money. Last year, ASWR served over 400 families, with over 830 requests for information. Requests for support have been doubling year over year. We don't see this changing.

The monthly collaborative meetings, and the ASWR program bulletin, and many new partnerships are the mechanism for eliminating duplication in programming and achieving that continuum of service.

ASWR uses working groups to collectively problem-solve barriers to these kids achieving their potential. We are currently addressing the challenge of school refusal. This is an investment in amazing untapped potential and resources in these kids. Our next goal is to engage the business community, to understand and support their

engagement in meaningful vocations and community life. This is critical to their well-being. We need to understand accommodation.

In 2015, we also completed an evaluation of the collaborative itself. Some 97% of our members stated that if ASWR no longer existed, it would mean loss of support for families and loss of communication between organizations—impacting their ability to identify and address gaps—and the routine sharing of information which avoids duplication. Quite sadly and simply, we know we would go back to a siloed world.

This is an upstream investment. It is a modest investment that has increased our community's capacity to support vulnerable families in a holistic and cost-effective way. We believe ASWR is great value for money. Our model is replicable and we are willing to share with other communities.

Jayne will speak to the money side of things.

Ms. Jayne Matzeg: Sure. What we're looking for specifically is \$250,000 annualized. Over the past five years, ASWR has been supported at the local level through various foundations, through agencies, direct funds and in-kind, as well as some donations that we've been able to attract. We've spent over \$270,000 of our own funds on this important and effective project, but we can no longer sustain this. We are asking that \$250,000 be placed in the Ontario budget annually so we can sustain the investment in Autism Services Waterloo Region that the local community has invested in over the past five years.

As our model is replicable, we would be willing to work with any community that's interested in creating a similar collaborative to benefit their families and children with autism.

The Chair (Ms. Soo Wong): You're finished your presentation. I'm going to turn it to Mr. Fedeli. Do you want to begin the questioning, Mr. Fedeli?

Mr. Victor Fedeli: Thank you very much. First, I'd like to start by congratulating you on the presentation and the wonderful efforts that you have made in your community. The fact that you have almost two dozen partners that work with you and support each other is an amazing achievement, and I congratulate you on that.

Ms. Barb Hill: Thank you. We believe it aligns with your goals, actually.

Mr. Victor Fedeli: One of my questions was going to be about your funding. You have been generating approximately \$250,000 a year from donations. Am I led to understand—is that the sole source of your funding?

Ms. Barb Hill: We were very fortunate to receive two over two years, so a total of four years' funding, from a local foundation in Waterloo region, a family foundation. First of all, the first year we did it with no funding, just as a proof of concept. That funding is running out. We have also managed to start to increase our profile and attract some private donations.

In addition, our two, I would say, backbone organizations, Extend-A-Family and KidsAbility—KidsAbility has been contributing all of the infrastructure costs, along

with cash. Extend-A-Family has been supporting all of the HR financial services, plus the mentoring every time we get an MSW student etc. So it has truly been a collaborative of those two backbones.

We have a third agency that has, in the past, been able to come up with a small donation as well.

Mr. Victor Fedeli: Is that a government agency?

Ms. Barb Hill: Yes.

Mr. Victor Fedeli: I don't see the Trillium Foundation logo here anywhere. Is that a source that you can look at as a temporary source to help continue with you?

Ms. Barb Hill: We actually have submitted more than one application to Trillium and are anxiously waiting for the next round of decisions.

Mr. Victor Fedeli: So your ask: When you began your presentation, you said there would be three things, and the last would be your definitive ask. That's your ask, a \$250,000 annual fund to assist this organization?

Ms. Barb Hill: Yes.

Mr. Victor Fedeli: Okay. I have another question, then. You talked about the resource coaches and the fact that there is no age restriction. Is that typical across Ontario? I haven't seen that, personally, in my northern riding.

Ms. Barb Hill: Sorry, is which typical?

Mr. Victor Fedeli: Your resource coach not having any age restrictions.

Ms. Barb Hill: The point of the family resource coach is that we're there to provide information about how to support the journey with autism. We don't care if that child is six years old or 16 years old.

Mr. Victor Fedeli: What about over 18?

Ms. Barb Hill: If we have resources in the community, we will absolutely refer them; absolutely.

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Mr. Victor Fedeli: You also talked about gaps in services. Can you just expand, for the short time that we have left, on just what you meant by that? I didn't take enough notes on that one.

Ms. Barb Hill: I would say perfect examples are some of the parent support workshops, sibling workshops, and gaps in terms of social skills. It's the non-direct therapy services that support the whole family journey.

Mr. Victor Fedeli: Again, I want to say thank you for not only a wonderful presentation, but for the obvious good work that you're doing in your community. It's deeply appreciated, I know, by the families. Thank you.

The Chair (Ms. Soo Wong): Thank you for your presentation. Before you leave, you have until February 2 at 5 p.m. to make any written submissions to the committee. All right? Thank you very much, ladies.

The next group before the committee is the Hamilton Community Legal Clinic: Mr. Craig Foye. Okay, I'm going to call from the list coming down.

CARPENTER HOSPICE

The Chair (Ms. Soo Wong): Is the Carpenter Hospice here? Why don't you come up? I don't see the legal clinic here.

For the Clerk's information, the legal clinic is not here. Just for the committee's purposes, we are now having the Carpenter Hospice here, not the Hamilton Community Legal Clinic because they are not here. Is everybody clear with that?

Good morning, Ms. Candy. You have 10 minutes for your presentation, followed by five minutes of questioning. This round of questions will be from the third party. You may begin anytime. Please identify yourself for the purposes of Hansard. Thank you.

Ms. Karen Candy: Good morning. Thank you for allowing me to present to the committee today. My name is Karen Candy and I am the executive director of Carpenter Hospice.

Care of individuals who are dying is an important part of our health care system. Palliative care meets not only the physical needs of individuals, but the psychosocial, cultural, emotional and spiritual needs of each person and their family. The goal of hospice palliative care is to improve the quality of life for patients and their families facing life-threatening illnesses. Palliative care may be the focus of care when a cure for the illness is not possible. Palliative care services in the province help these people live out their remaining time in comfort and with dignity.

Quality hospice palliative care neither hastens death nor prolongs life. As cited in the Auditor General's report, our health care system continues to underutilize and under-deliver palliative services. Improving access to quality hospice palliative care must remain a public policy and funding priority.

Carpenter Hospice is a 10-bed residential hospice located in Burlington. We were the third residential hospice built in the province, and we opened our doors in 2002. Our hospice team is made up of dedicated staff and volunteers committed to making every moment matter for our residents, their families and our program participants. We have a clinical team of 26; this team includes RNs, RPNs and PSWs who provide care to our residents 24 hours a day, seven days a week. We have a leadership team made up of 11 full- and part-time staff that supervises and assists in the delivery of all of our services and programs. Carpenter Hospice has a mighty team of more than 180 volunteers who give of their time to keep costs down by filling roles such as reception, resident care, companionship, cooking in our kitchen making meals for our residents, maintenance, gardening, fundraising and administrative duties. We are integrated into our community and work with all of our health care providers in the Burlington area to provide care.

While my presentation is important, I would like to take a moment to read an email that I received. Every day I receive emails and letters from families who have spent time at Carpenter Hospice and I think their words probably speak louder than anything I can say today.

"Although my dad's time spent at Carpenter Hospice was brief, words can't begin to describe what an amazing, life-changing experience it was for me and my family. The outstanding care, kindness, compassion and

support wrapped us in a blanket to help make a very difficult journey feel easier to bear. We were so grateful and touched by all the extraordinary men and women that worked there and the experience completely restored my faith in humanity, this in a world that some days can leave you wondering. Every community needs a place like Carpenter Hospice to remind us all how to live like wonderful human beings and to teach us how to die with dignity and grace."

Hospice palliative care is cost-effective, compassionate and ethical care that helps people live well and comfortably until their natural death. Hospices are truly as much about living as they are about dying. If you were to ask a group of people where they would prefer to die, the majority would answer at home. While home may be the preferred location, it may not be possible for reasons such as disease process, the medical care required and resources in the home. While some individuals may not be able to stay at home, hospice is perfect for those who don't need the expensive high level of care provided in hospital. Hospice palliative care is the perfect option. It is far less expensive than hospital care. The recent Auditor General's report cites that hospital beds are two and a half times the cost of a hospice bed. Hospice care frees up acute-care hospital beds and has been proven to reduce emergency room visits. Residential hospices are vital, as we provide very cost-effective care in a home like setting at no cost to the end-user.

Hospices look beyond end-of-life care and recognize the need to provide services across the continuum of care, which includes diagnosis, treatment, death and bereavement. Many hospices provide numerous community programs such as day wellness, visiting volunteer, caregiver support, and grief and bereavement support programs. Hospices could be doing more in the community, but funding is hampering our growth.

Carpenter is at a crossroads. Without increased operating funds, it will be very difficult for us to expand our programs and services to meet the increased demands of Burlington residents. When Carpenter Hospice first opened, our average length of stay was approximately 30 days; our current length of stay is approximately 16. A shorter length of stay means we are able to provide more care to more Burlington residents. While our occupancy rate has remained constant at approximately 85%, our throughput, or the number of individuals served, continues to grow.

Hospice palliative care in Ontario is excellent, but there isn't enough to meet the needs now, and there aren't nearly enough resources to meet the demand for services our aging population is creating. Many communities are poised to provide more capacity and care, but funding is needed immediately to achieve this increase in capacity and care.

While we are grateful for the funding we've received from the government, our current funding model is limited, as it only covers a portion of our costs and can only be spent on nursing and PSW care. For Carpenter Hospice, current government funding equates to about

43% of my operating budget and does not cover all of my nursing and PSW costs. Each year, Carpenter Hospice must raise \$1.3 million to fund our operating budget to include items such as food, non-CCAC medical supplies, heat, hydro and our community programs, which include a wellness program, caregiver support and grief and bereavement services.

Many communities across the province have fund-raised the capital money needed to open a hospice and are ready to provide care but don't have the operating dollars in place. Increasing the operational envelope will provide sufficient and stable funding to the sector and ensure that residential hospices can continue to provide vital care and their services to the community. Freeing up fundraised dollars to provide more community programs and services is vital to providing quality palliative care to Ontarians in any care setting, anywhere in the province.

Hospice palliative care is good value. It is cost-effective and desirable. Not only can hospice care save the system money, but hospice palliative care is holistic, attending to the patient, family and caregiver needs.

On behalf of Carpenter Hospice and other hospices in this province, I am requesting that the committee recommend the increased funding envelope and limit and reduce the restrictions on what we can spend the money on.

The Chair (Ms. Soo Wong): Thank you very much, Ms. Candy. I'm going to turn to Ms. Fife to start this round of questioning.

Ms. Fife?

Ms. Catherine Fife: Thank you very much, Ms. Candy, for your presentation. I think you've made a really compelling case from an economic perspective, but also as a quality-of-care issue. I think when you look at \$469 a day versus \$1,200 a day in hospital, the math tells that story.

I'm trying to get a sense of some of the weaknesses in the current funding model, if you would address those, and then I have one other question around the fundraising component.

Ms. Karen Candy: Sure. The biggest gap or weakness is that we can only spend the government dollars on clinical care, so that can only be spent on salary for our nurses and any medical supplies through CCAC. I cannot use any of the government dollars for heat, hydro, food or any of the other costs, so it's limited, really, to costs affecting the 10 residents in the hospice. To expand programs and go out into the community and service people in their homes or help them before they require hospice care, I have to use fundraised dollars.

Ms. Catherine Fife: That's a huge amount of money that you fundraise. Is it \$1.3 million?

Ms. Karen Candy: Yes, \$1.3 million every year.

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Ms. Catherine Fife: And how sustainable is that, if you don't mind commenting?

Ms. Karen Candy: For Burlington, personally, we are very fortunate in that we've been able to meet that target, but I know some of my colleagues struggle to meet

payroll and to provide the care in communities that perhaps do not have the donor resources.

Ms. Catherine Fife: So what I'll take away is that the funding model for hospice care needs to be completely revamped. Hasn't that been in the works? I mean, the Auditor General, as you mentioned, highlighted the fact that Ontario really has no palliative care system, and this is dating back from 2014.

Ms. Karen Candy: Correct.

Ms. Catherine Fife: What are the obstacles? What is the resistance for the government to create a funding mechanism that actually serves the needs of hospice care?

Ms. Karen Candy: I can't speak specifically for the government, but I'm here to ask that all parties work towards a sustainable funding model that will ensure palliative care services well into the future.

The Chair (Ms. Soo Wong): I believe Mr. Miller has a question for you.

Mr. Paul Miller: Actually, I want to commend you for the job you do. Our community works quite closely with the Dr. Bob Kemp Hospice, a very successful building they built, and the program has been wonderful. It certainly gives people some dignity when they are facing the final hours. I recommend highly that these types of organizations are promoted and financed, because hospitals can be kind of cold and cruel at the end. This is a homelike setting and it's a wonderful procedure. As far as dollars go, it's certainly cheaper than taking up hospital beds, and you have one-on-one personal care, which you may not get in a hospital because you have different shifts and different workers. These people develop relationships with the people who are there and they almost become like family.

I really encourage all parties to look at continued and increased funding for the hospice program in this province.

Ms. Karen Candy: Thank you.

The Chair (Ms. Soo Wong): Thank you very much for your presentation and your written submission, Ms. Candy.

HAMILTON COMMUNITY LEGAL CLINIC

The Chair (Ms. Soo Wong): I believe we have the Hamilton Community Legal Clinic here before us, and I believe the Clerk has the written submission. Mr. Foye, you have 10 minutes for your presentation, followed by five minutes of questioning, and this round of questioning will be coming from the government side. You may begin any time. Please identify yourself for the purpose of Hansard.

Mr. Craig Foye: My name is Craig Foye. I'm a staff lawyer with the Hamilton Community Legal Clinic. Thank you very much, Madam Chair and members of the committee, for the opportunity to speak with you today. I very much apologize for being late. I was foolishly waiting in the hall and missed that I should have been in here.

I would suggest to the committee, as an overarching theme of my submission today, that this province, the province of Ontario, is at a critical juncture with regard to its opportunity to create a legacy of evidence-based social policy in the province.

I'd like to talk a little bit about that. I will mention our specific recommendations, and you'll see them in our submission. I won't go through all of them, but they include, perhaps most importantly for the legacy part, to create a permanent arm's-length institution to recommend evidence-based social assistance rates in the province of Ontario; also some immediate increases to social assistance rates; the reinstatement of the Community Start Up and Maintenance Benefit as a mandatory benefit to ensure that people on social assistance programs don't end up homeless due to a temporary crisis in their lives; and a very critical issue in Hamilton right now: to provide funding so that Hamilton can keep their trusteeship programs going for people in receipt of social assistance who require those programs.

I had a lot of opportunity this weekend and over the past couple of months to look at the current situation in Hamilton. I'd like to talk to you a little bit about the current situation.

Currently at the Hamilton Community Legal Clinic we're writing a follow-up report to our 2006 report to the United Nations Committee on Economic, Social and Cultural Rights. I'm sorry: I don't have a copy for you today, as it's still in draft stage, but we'll be finished by next week and I can provide, if you would like, a copy of that report to the committee.

In writing that report, in drafting that report, it's quite striking how little has changed since our 2006 report with regard to social assistance rates and the inadequacy of those rates. The shelter allowance portion of social assistance rates still falls hundreds of dollars below average rents for really every family size. What that means is that families on social assistance are falling farther and farther behind every month that they're on social assistance.

Housing unaffordability is not just limited to those on social assistance. We know that in the city of Hamilton, 43% of all renters are paying more than 30% of their income towards rent, which is the guideline for affordability.

Not surprisingly, we're seeing hunger in our community in unprecedented numbers: 20,000 people in Hamilton every month going to food banks. Not surprisingly, 73% of those people going to food banks are actually in receipt of benefits under our provincial social assistance programs but can't afford to eat.

As an aside, I should say that with regard to the creation of a permanent institution to set evidence-based social assistance rates, our former Minister of Community and Social Services, the Honourable Ted McMeekin, before he was "Honourable," had introduced a private member's bill in the Legislature in June 2007 to establish what would have been called the Ontario Social Assistance Rates Board, which would have been a permanent

institution made up of an expert panel to recommend evidence-based social assistance rates on an annual basis.

As the Commission for the Review of Social Assistance in Ontario has noted, there is currently no methodology for setting social assistance rates. They are arbitrary numbers really determined by political will.

Perhaps an anecdote from my work—I'm told that these things are helpful when you're making presentations: I'm a lawyer working in Hamilton, and one of the things that I do quite often, as a lawyer in a community legal clinic, is work as tenant duty counsel at the Landlord and Tenant Board of Ontario. One of the most unfortunate tasks with that job is that I often have to tell people who are in receipt of provincial social assistance that the best thing they can do is get evicted. Not only can they not afford to pay back the arrears of rent—and make no mistake, almost all of the eviction applications at the Landlord and Tenant Board are for arrears of rent. Not only can they not afford to enter into a repayment program to pay back those arrears of rent, they can't afford to pay their next month's rent, because social assistance rates are so low that they are falling behind every single month.

I've spoken to people from the school board in Hamilton who confirmed to me that a lot of our schools in the inner city and poor areas have over 80% turnover rates. What that means is that all of those children are moving every year and going from school to school. That's going to have huge effects for the future of our province.

I would suggest to this august committee that the social safety net in our province is currently broken due to long-term under-resourcing, and is currently creating a very expensive legacy of poor health, poor educational attainment and widespread misery—and I can guarantee you that that is happening, because I see those people in my office every day—in the province of Ontario. This government, as I said at the outset, has an opportunity to change that. I would suggest to you that the first step to changing that is to start basing these decisions, which I would suggest to you, again, are some of the most important decisions that this government or any government will ever be tasked with—don't allow those decisions to be made by political will. They're too important for that. They need to be made by arm's-length, permanent and evidence-based social policy institutions that will not allow this chronic under-resourcing to happen again due to a lack of political will.

Thank you very much for your time.

The Chair (Ms. Soo Wong): Thank you very much. I'm going to turn to the government side and Ms. Albanese to begin this round of questioning.

Mrs. Laura Albanese: First of all, thank you for your presentation and thank you for the work that you do. I think that being a lawyer and working for a legal community clinic is commendable.

The first question I will ask is, have you made any submissions to the new poverty strategy that the government is entertaining with Minister Matthews in regard to this non-partisan way to look at social assistance rates?

0940

Mr. Craig Foye: Yes, we have. We have made a submission. Every time we've been invited to make a submission on the poverty reduction strategies in the province of Ontario, we have made a submission from the Hamilton Community Legal Clinic, and I believe our partners at the Hamilton Roundtable for Poverty Reduction, as well as many other groups in city, have also made similar recommendations.

Mrs. Laura Albanese: Okay. The other question—actually, before I go on to the other question, I wanted to ask about this follow-up report that you said would be ready next week. Would the committee be able to get a copy?

Mr. Craig Foye: Absolutely.

Mrs. Laura Albanese: I think it would be in the interest of all the members.

Mr. Craig Foye: Absolutely, and I apologize that I don't have a draft ready today.

Mrs. Laura Albanese: No, that's fine. If we can get it, I think it would be helpful to us.

You were also talking about, I guess, a problem in Hamilton specifically but that we see in other parts of the province as well, even in Toronto. I represent a riding that is considered very low income and I see issues of affordability with rent. Do you think the solution to that is, let's say, looking at the social assistance rates, an increase of the social assistance rates, or do you see other types of solutions that you would suggest to the government as well?

Mr. Craig Foye: Thank you very much for that question, because I think that's a very important question.

First of all, I'd say at the outset that this government has made some significant efforts, particularly with regard to minimum wage, to try and improve that, and I still think that something similar to what we're suggesting with social assistance needs to happen with minimum wage, but tying the minimum wage—the significant increases and then tying the minimum wage to the consumer price index is a huge improvement on what had happened in the past. So similar things need to happen with social assistance.

With regard to the question of whether just an increase in rates is enough, no, I think that certainly there is more work that needs to be done in fine-tuning our social assistance system. What I would suggest to the committee is that the necessary condition for social assistance reform is both an increase in rates—a substantial increase in rates and resourcing—as well as basing the setting of those rates in the future on evidence. So it's making sure that it's arm's length from government to keep away from political will, and to make sure that those decisions in the future are based on evidence of what it actually costs to live in any of the communities across Ontario.

Mrs. Laura Albanese: And therefore based, let's say, on statistical facts, or do you also see a panel of experts working at this?

Mr. Craig Foye: What was the former Bill 235 which was introduced by Ted McMeekin back in 2007 would

have created an expert panel that would have been resourced by the government and would have been tasked with providing a recommendation on an annual basis to the government regarding evidence-based social assistance rates. That evidence is really not rocket science. I mean, there is research being done across Canada on what average rents are. Every municipality, certainly every larger municipality in the province of Ontario, is doing research on what a healthy food basket costs every month for every selected family size. So, really, this research is available. It's just not being done yet.

Mrs. Laura Albanese: Okay. Thank you very much again for presenting to our committee.

Mr. Craig Foye: Thank you.

The Chair (Ms. Soo Wong): Thank you, Mr. Foye. Before you leave, any written submission to this committee needs to be submitted by Tuesday, February 2, at 5 p.m. I know that you made reference to that report that you're preparing, so if you could ensure that report comes to the Clerk's office by February 2 at 5 p.m.

Mr. Craig Foye: I certainly will, Madam Chair. Thank you very much for the opportunity to speak to the committee.

The Chair (Ms. Soo Wong): Thank you for being here and for your written submission.

SOCIAL ACTION COMMITTEE,
ONTARIO ASSOCIATION
OF SOCIAL WORKERS,
HAMILTON BRANCH

The Chair (Ms. Soo Wong): Our next presenter is the social action committee of the Ontario Association of Social Workers, Hamilton branch. Can the two witnesses coming before the committee please come forward? I believe there is Mr. Basbaum and Ms. McKay. Welcome. Thank you very much. Come on down. I believe the Clerk is coming around with your written submission.

You may begin any time. You have 10 minutes for your presentation, followed by five minutes of questioning. This round of questions will be from the official opposition party.

When you begin, please identify yourself for the purposes of Hansard.

Ms. Sally Palmer: Thank you. My name is Sally Palmer. I'm the chair of the social action committee of the Ontario Association of Social Workers, for the Hamilton branch. With me I have Mel Basbaum, who will also be speaking; he's a member of our committee. We may have a third person—

Mr. Mel Basbaum: She's here.

Ms. Sally Palmer: —good—Sandy Leyland, who is going to talk about the lived experience of being on social assistance.

We would certainly echo everything that Craig Foye just said to you: that social assistance rates are far too low, there should be an independent rates board, and we certainly need a restoration of the Community Start Up

and Maintenance Benefit. His mention of 80% of children moving schools in central Hamilton every year shows how much mobility there is. Families are usually leaving because they couldn't afford to pay the rent, and this is due to the low levels of social assistance.

In November 2015, the benefits for most categories of Ontario Works increased by only 1%. This has been going on ever since the Liberals came in. To their credit, at least they're giving some increase, because the Conservatives before them gave nothing, but 1% does not cover inflation. The inflation rate for food in Hamilton over the last two years was 11%, and the inflation rate for accommodation was between 4% and 9%.

Unattached people who have no children actually received an increase of 25%, which is 3.8% of what they get, and the reason for that is that it's a belated follow-up to the recommendations of your government's own social assistance review commission. In their 2012 report, they cited the very low benefits to OW singles, and recommended that they be raised by \$100 per month. So far, they've only made it to \$50 per month, and the increase by \$100 was recommended to take place back in 2012.

We're very concerned about that particular group. In fact, our committee has started a food project where we've been delivering boxes of fresh produce to single people on OW, because the nutritious food basket measure which public health services in every community of Ontario do each year showed that that particular group of OW singles was \$121 short of being able to provide the food they needed.

I'm not going to take up any more time now because I want to make sure that Sandy Leyland has enough time to give her report, but in the report that was handed around, the presentation of the board, you will see what we've done with this food project. You might find that interesting. We hope that the rates of social assistance will be raised so that we aren't as desperate getting food to these people.

Mel?

Mr. Mel Basbaum: I'm going to be very brief because I want Sandy to take the majority, speaking as a person who is experiencing what we're talking about. Most of what I'll say is already in the report, so I'm going to skip that and talk about myself.

I'm an individual who has less than a six-figure income, but I live very comfortably and I'm about to receive a tax deduction, at least federally, which I don't really need. People under \$40,000 will not receive that.

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I think that a small tax increase—there seems to be this emphasis that the middle class needs a tax reduction. I think that's probably true for some, but with a fair tax situation that takes into consideration the difference between my family—I'm retired and there are just two of us—and families that might be larger or where there may be health considerations, that can work. Preferably, I would suggest a guaranteed income. That's not going to happen for a long time. In the meantime, though, people like myself can tolerate a small increase as long as we

know that it's being directed to appropriate social services, whether that be income or other kinds of needs.

I'm just going to leave it at that. The rest of my report that compares the actual costs of food and rent that Sally was referring to is in the report with actual dollar figures, so you can hopefully get that from there.

Sandy?

Ms. Sandy Leyland: Hi. I've been introduced as Sandy Leyland. I have been a recipient of so-called social assistance for a number of years. I raised my kids on mother's allowance because every time I went to the employment office to look for work I was told that the good jobs had to go to men; they had families to support. I guess I was supposed to go out and find another man to get married again, and that wasn't in my plans. I can take care of my children myself.

I worked part-time, but we were allowed, in 1972, when I became a single mum, \$150 a month gross. That was disgustingly low back then. Then a few years ago, the government raised it to \$200 a month gross, which is an insult to anyone who is lucky enough to get a job. If you can work and you can find something part-time, we should be allowed to make—and I hate that word “allowed”—\$600 a month net so we can afford half-decent rent, so we can afford to have a better or slightly better food basket in our own homes and we can afford to allow our kids to go on school trips and pizza days and hot dog days that my kids couldn't have a lot of the time because I just simply didn't have the money. My sons had to go to school with their shoes held together with duct tape because I couldn't afford to buy them shoes, and both of them ran out of shoes the same month. I tried to get them to do it one month and then the next; they wouldn't work that way. I had limited help from family, but that wasn't enough.

People get tired of hearing about how poor we are. I don't pay more than 30%—60% of my limited income goes to rent, bills, transportation, and then after that I have to cover food. Trying to get clothes: My shoes wear out; then I have to go without food to buy shoes. It's disgusting. It is heartbreaking. I have so many friends who are trying to subsist on what we're given. I've had workers tell me that they don't get any extra money, but they're making—we all collect from the government. Everyone in this room—well, almost everyone in this room—is making money from the provincial government, but our income is at the bottom percentage. We are seen as a burden on the government. And then I read in the newspaper or I see on TV that there's a fellow being hired at \$575,000 a year to run the Ontario pension plan, which is great for him but it's not good for us. That's not counting his benefits and everything else that will go along with that, and his performance.

If you want to know how to run and how to change social assistance, hire people like myself who have lived it. I've got an honours BA in anthropology; I'm well educated. Now that I'm 65 and I'm off assistance, I'm in even worse straits on the pension. I'm going back to school. I might be working for a second degree in social

work and talking about social justice because there is none.

The Chair (Ms. Soo Wong): Ms. Leyland, I need you to stop talking right now because I need to turn over to the opposition to start this round of questioning.

Ms. Sandy Leyland: Okay.

The Chair (Ms. Soo Wong): Mr. Barrett, do you want to start this round, or Mr. Fedeli? Mr. Barrett.

Mr. Toby Barrett: Thank you very much for your presentation. I'm married to a psychiatric social worker so I have the benefit of advice on a fairly regular basis. I very much appreciate you championing those in our society who are less fortunate.

You made mention again of a private member's bill a few years ago to set up the Ontario Social Assistance Rates Board. Part of what you're advocating is taking part of the decision-making away from the hands of political decision-makers, which oftentimes is a good idea.

We know this was recently done with the minimum wage. For example, it sits at \$11.25 an hour. Any increases, as I understand, are pegged to the rate of inflation. What you've presented is that those on Ontario Works aren't necessarily pegged to that or are falling behind.

I shouldn't talk too much here, but in reading some of the other submissions here to the Spectator, the focus is on Ontario Works. Would you wish to comment at all on those who are on ODSP, those on disability?

Ms. Sally Palmer: Probably that was my article in the Spectator.

Mr. Toby Barrett: Yes.

Ms. Sally Palmer: Well, they are badly off, too. This is what I think Sandy was living on at one point.

Ms. Sandy Leyland: Up until recently I've been on disability, and I was still paying 60% of my income to rent, plus bills, plus everything else. There just isn't enough money. A hands-off approach that's separate from the politicians—no offence to any politicians in the room—we're the experts because we survive it. If we can live on the little bit of money we get, imagine how we could help the province in handling their money.

Mr. Toby Barrett: By and large, I know you constantly mention Ontario Works but you're essentially including ODSP as well?

Ms. Sally Palmer: They're the ones who have been just getting a 1%-a-year increase when food goes up by about 4% a year. They're just falling further and further behind—yes.

Mr. Toby Barrett: Both these initiatives from our society have been analyzed over the years. The Frances Lankin report was referenced in a previous submission, the Don Drummond report—very extensive analyses. I just wonder if you could comment. It seems to me that given the breadth and the depth of those reports and the recommendations from those reports—at least one election has come and gone—we really haven't seen too much coming out of the work that was done. These were reports that were commissioned by the government.

There's obviously stuff left to be done but it's been laid out for us. Any comments on that?

Ms. Sally Palmer: I think it's partly, as Sandy said, that the political action that would be needed to increase social assistance rates is not—many politicians feel that the general public would not be happy with raising social assistance rates.

Years ago, the Minister of Community and Social Services—it was Sandra Pupatello at that point. She spoke in Waterdown; we were there with a number of people living on social assistance talking about the kind of thing that Sandy's speaking about. She said, "You don't get elected raising social assistance rates." It was pretty bold putting it that way, but in fact I think many politicians do feel that most of the public are not on social assistance and that, as Sandy says, they begrudge those who do get it getting any more.

Mr. Toby Barrett: Yes, sir?

Mr. Mel Basbaum: I don't think it matters which party we're talking about; that's the political issue. You're right about the commission that recommended, for example, for OW workers a \$100 increase. That hasn't happened as yet. It hasn't reached its maximum as yet; it has been gradually increased. But that was already three years ago, going on four years. The one other—

The Chair (Ms. Soo Wong): Okay, I'm going to stop you here.

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Mr. Mel Basbaum: One thing.

The Chair (Ms. Soo Wong): Okay, your final point.

Mr. Mel Basbaum: I'm going to just remind you that it was also the previous government, the Conservatives, who brought the rate down to what it is now. So it doesn't really matter which political party it is; the issue needs to be addressed at a different level.

The Chair (Ms. Soo Wong): All right, I'm going to stop you here. Thank you very much for your presentation, and thank you for your written submission.

REGION OF PEEL

The Chair (Ms. Soo Wong): The next group before the committee is the region of Peel. I believe we have the chair, Frank Dale—Mr. Dale, welcome—and the CAO, Mr. Szwarc. Welcome. Thank you for coming.

Before you begin, can you please make sure you identify yourself for the purpose of Hansard? You have 10 minutes for your presentation, followed by five minutes of questioning. This round of questioning will be coming from the official third party. You may begin any time, and thank you again.

Mr. Frank Dale: Thank you very much. Good morning, members of the committee. My name is Frank Dale. I have the privilege of serving as the chairman of the region of Peel. I'm joined today by my colleague David Szwarc, the region's chief administrative officer.

We would like to begin by thanking the committee for allowing Peel region to make this presentation today and

share some of our thoughts and perspectives prior to the completion of this year's provincial budget.

As you are already aware, Peel region is Ontario's second-largest municipality, representing over 1.4 million residents. It is one of the country's most diverse communities, and it is an important hub of economic activity for both Ontario and Canada. Within our borders, we house over 106,000 businesses, representing approximately 10% of all businesses located within Ontario.

We currently have the densest network of 400-series highways and move over \$1.5 billion worth of goods through the region every single day. As the home of Pearson International Airport, we also facilitate the movement of thousands of people daily, an impact which extends far beyond our own municipal borders.

To meet the current challenges we face and ensure our success into the future, we look to higher levels of government to establish mutually beneficial economic and social partnerships. Our council has determined that the areas where we most need provincial government support are goods movement/transportation, affordable housing, and paramedic dispatch system. It is our collective view that if Peel is successful, then the province will be successful.

With that, I would like to turn the presentation over to David Szwarc to provide more detail.

Mr. David Szwarc: Thank you, Chairman. Good morning, Chair Wong, and committee members and attendees. As Chair Dale has said, my name is David Szwarc, and I am the chief administrative officer for the region of Peel.

There are three things, as the chair has said, that we want to talk about this morning and that affect, directly or indirectly, much of Ontario, not just the region of Peel. The three key areas, as the chair has said, are goods movement/transportation infrastructure, affordable housing, and paramedic dispatch services.

I'll start with goods movement and transportation. Peel region is one of North America's largest transportation and goods movement hubs. Some 43% of all jobs in the region of Peel are related to goods movement, and two out of every five businesses are in the goods movement sector and collectively contribute \$48.8 billion to the gross domestic product of our economy. Truck movement in Peel represents 25% of all trucking activity across the province. As Chair Dale noted, \$1.5 billion worth of goods move through Peel each and every day.

However, our goods movement industry partners continue to identify traffic congestion and travel delays as a major challenge to our economic state and potential. According to the Toronto Region Board of Trade, gridlock is estimated to cost \$6 billion in lost productivity across the GTA annually. That will grow, according to the board of trade, to about \$16 billion by 2031 if nothing changes.

The region recognizes the importance and potential impact of the government's investment in transit to help alleviate congestion throughout the GTA and Hamilton—the GTHA. However, we propose that these investments

are only a piece of the overall economic and social prosperity puzzle.

Through our work with our public and private partners on the Peel Goods Movement Task Force, we have identified three specific opportunities with regard to the 2016 budget.

The first is a need for a long-term, predictable and sustainable funding program for transportation infrastructure to address congestion on local and regional roads.

Peel needs an aggressive widening plan for the 400-series highway network within its borders and, really, across the GTA. This investment is critical to keep goods and people moving.

Thirdly, the province needs to complete the environmental assessment and commit the necessary funds to developing the GTA west corridor. The absence of the GTA west corridor will put significant strain on our transportation infrastructure and, we believe, will eventually erode both goods movement and the region's ability to attract and retain businesses. The environmental assessment that started, I think, in 2004—phase 1 was completed by the province in 2012—found that this new transportation corridor is required to service growth by 2031.

A move to affordable housing, our second point: Rapid population growth, increased market costs, and high unemployment rates all contribute to the increased demand for a range of affordable housing options. However, investing in affordable housing construction and repair not only meets a social need but also stimulates economic growth and employment. According to a study by CMHC, the construction of each new housing unit is estimated to generate 2.5 full-time jobs. By this measure, the almost 800 new affordable housing units built in Peel between 2011 and 2013 would have created 2,000 jobs.

While the municipalities wait for the renewal of the Long-Term Affordable Housing Strategy, through this pre-budget consultation, Peel continues to advocate for the following investments in affordable housing initiatives.

We are grateful for the approximately \$10 million per year Peel will receive through the IAH program, the Investment in Affordable Housing for Ontario program. However, there is a need for flexible ongoing capital and operating funding for new housing and the repair of existing stock.

There also needs to be a continued push by all three orders of government for a national housing strategy, with predictable, sustainable funding and continued investment, as the federal operating agreements for housing expire.

In 2014, only 4.5% of all new housing starts in Peel were private rental housing. In discussing this with the private sector developers, they recommend that tools be put in place to encourage private sector rental housing investment, including changes to the tax system such as a reduction in capital gains tax, soft-cost deductibility, and tax incentive programs such as the HST rebate on new construction and the low-income housing tax credit program.

I'll move to paramedic dispatch. This is the last item that I want to bring to the committee's attention.

Peel's population continues to grow. We're growing at a rate right now of about 20,000 people per year, or 1.5%. The demand for paramedic services is growing at 5%. Growing pressure on ambulance resources requires that ambulances be deployed and managed as effectively and efficiently as possible. However, the provincially operated Mississauga dispatch centre, like many of the 22 dispatch centres across this province, uses technology that does not accurately prioritize ambulance calls. For example, in 2014, 72% of the calls that came into Peel from the Mississauga dispatch centre were dispatched as life-threatening. That means requiring a lights-and-sirens response. But when the paramedics got to the scene and did their triage, only 20% of those calls actually required lights and sirens to take them back to the hospital. This over-prioritization of emergency calls places increased demands on the system and leaves fewer or no ambulances available to respond to new calls.

Peel has been advocating for many years to change this dispatch system. We were pleased to see that the Auditor General recommended a more effective dispatch tool in their recent report, a tool called the Medical Priority Dispatch System. A study undertaken on behalf of Peel and all the GTA municipalities and one county a few years ago indicated that if the Medical Priority Dispatch System were implemented, it would reduce overall costs by about \$60 million over 10 years, in comparison to the current system.

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I want to reiterate today the urgent need to improve the dispatch system. Making these changes will result in greater efficiencies, improved response times and, we believe, better patient outcomes.

We will wrap up here. We believe that working with the government to address these priorities that the chairman and I have spoken to—transportation and goods movement, housing and paramedic dispatch—Peel and the province will be able to support the government's goals of creating a healthy and prosperous Ontario.

Thank you.

The Chair (Ms. Soo Wong): Thank you very much for your presentation. Mr. Miller, do you want to start this round of questioning?

Mr. Paul Miller: Good morning, gentlemen. Thank you for your submission and your advocacy for your region of Peel. As you can appreciate, all regions are facing similar problems, especially here in Hamilton, as well.

I must commend the government. They've actually taken an aggressive approach to transportation improvements in the province. There's only so much money in the fund and what we want to see is a fair distribution of the money for all regions because we all face the same problems.

But where I really concur with you is your concern for dispatch for paramedics. That's a very important issue. We were fortunate enough, years ago, to set some money

aside and we have a wonderful dispatch system in Hamilton which is leading in North America. We have people coming here to go to our communications centre to learn. It's on Hamilton Mountain and it services the whole Hamilton region. We get commendations from all over North America for the way we run it. Certainly—I don't know if you've worked with Hamilton on their communications systems—you might want to look at it. It's state-of-the-art.

In reference to your transportation needs, I also agree that Peel is certainly a large, growing area and requires sustainable transportation to encourage business to come to your area. But my question to you—the gentleman to your left mentioned “mutually beneficial.” What do you mean by that? When you get money from the government, how do you mean “mutually”? Do you mean a tax base? What do you mean?

Mr. Frank Dale: Well, no. I think it's mutually beneficial to both the region and to the province.

Mr. Paul Miller: In what way?

Mr. Frank Dale: Maybe rephrase your question.

Mr. Paul Miller: Okay, I'll rephrase the question. You said it's mutually beneficial. Are you talking from an economic perspective or are you talking from a tax base—

Mr. Frank Dale: Oh, no. It would be economic, socially. Yes, mutually beneficial.

Mr. Paul Miller: Okay, thank you.

The Chair (Ms. Soo Wong): Ms. French?

Ms. Jennifer K. French: Thank you very much. Actually, I spent some time in Peel region as a kid. I grew up there and I imagine that much has changed since I was there. I now hail from the Durham region and I'm sure that you can appreciate that we're also a growing region with many of the same needs that you've discussed.

To your point about affordable housing—and I think that that's a call that's being echoed across the province, that there's a definite need for a focus on affordable housing. I appreciate that you had mentioned the need for a national housing strategy and to sort of bring all of these pieces together and move forward in a purposeful way.

Locally, in your region, what do you see as some of the challenges to the actual building of more affordable housing?

Mr. David Szwarc: There are two. One is the cost, simply because of land cost and the growing construction costs and the lack of funding to do so. In the region of Peel, the regional council has put about \$18 million into housing in the last few years. We have, as I mentioned, built close to 800 units ourselves.

We've been working to leverage money from the provincial government. We got some provincial/federal through the IAH funding and also, in our most recent build, we have had some private sector funding in there. So they built the ground floor and second floor and they're keeping that for commercial uses and then affordable housing is on top. We're looking at more creative ways of building it.

But the lack of funding for initial capital build is one issue. The second and longer-term pressing issue is the lack of funding to sustain the buildings. Most of the buildings in Peel now are about 40 years old and are starting to show signs of aging. We need funding because the regional municipalities under the current legislation are responsible as the service managers to maintain those and to maintain a certain number of rent-geared-to-income housing, even after the federal funding ends.

The second thing that we need is funding to maintain the existing stock so that we don't lose the stock.

The third thing, as I mentioned, is that we need some kind of incentive to get the private sector to participate more in the development and management of rental housing. When we met with them, they told us quite simply that there wasn't enough return for them to invest in it.

Mr. Frank Dale: I think, too, just to add to that, if I may: David raised a good point with respect to the cost of land. Particularly in Peel, if you look at the two major municipalities, Mississauga and Brampton, the land just keeps going up in value. But it's not just the cost of the land; it's the availability of land as well. We at the region are looking at our inventory as we speak to see how we may be able to redevelop some of our own inventory because of the cost of the land in the municipality.

The Chair (Ms. Soo Wong): Chair Dale and Mr. Szwarc, thank you for your presentation. If you would like to submit anything in writing, please submit by February 2 by 5 p.m. to the committee Clerk.

Mr. David Szwarc: Thank you.

The Chair (Ms. Soo Wong): All right. Thank you very much, gentlemen. Thank you for being here today.

CHRISTIAN LABOUR ASSOCIATION OF CANADA

The Chair (Ms. Soo Wong): The next group before us is the Christian Labour Association of Canada. Just for the purposes of the committee, there are actually new names that the Clerk just shared with me. There are three new names coming forward. I believe there are Hank Beekhuis, Zelka Lipovac and Rhonda Gow.

As you probably heard, you have 10 minutes for your presentation, followed by five minutes of questioning. This round of questions will be coming from the government side. When you begin your presentation, please identify yourself for the purpose of Hansard. You may begin any time. Welcome.

Mr. Hank Beekhuis: Good. Thank you and good morning, Chair and members of the committee. My name is Hank Beekhuis. I serve as the provincial director for CLAC. I'm joined today by Zelka and Rhonda, who have already been introduced. They're workers in the long-term-care facilities in Ontario.

For those of you who are not familiar with CLAC, we are the largest independent labour union in Canada and one of the fastest-growing ones in the country. We represent over 65,000 workers in a broad spectrum of

sectors, including construction, health care, manufacturing, oil and gas, service, and mining. In Ontario we represent over 15,000 workers, primarily working in health care and construction. Our deputation today will focus on funding for a significant issue: understaffing in our long-term-care homes.

The problem of understaffing in health care is not a new one. It has become endemic to the industry. This situation has repeatedly been documented for many years by workers, by unions, by employers, academics and even a coroner's inquest. The awareness should be present and action should be taken, but it feels as though decision-makers have only sympathy to offer. We are hoping this year that real change will come and that the government will move forward and fund a minimum standard of hands-on care of four hours per day per patient. We ask that each of you, individually and as a committee, support our call and support workers and our aging population. You are the only ones who can fix it.

To provide a bit of background, as head of CLAC in Ontario I started calling for a minimum standard of care over 10 years ago. At that time, the acuity level in the facilities was lower. We called for 3.5 hours per patient. Since then, the needs and acuity have risen, and we have increased the ask to four hours, which is in line with the request coming from almost every other union in the province.

In that same period, we've had a resident die at the hands of another resident who was not, and could not, based on staffing levels, be adequately supervised. We have had a coroner's inquest report into that murder call for a mandated minimum staffing level. Finally, on a day-to-day basis, we have had residents neglected or hurt because of this pervasive problem. It puts workers in a difficult and often unsafe situation.

In the meantime, the demands from the employer and the government don't change. Resident acuity and resident care needs continue to rise. Front-line staff members are the only ones held accountable for services to residents whether that is possible to deliver or not. This leaves workers in a completely untenable situation and residents in our long-term-care homes neglected and, in certain cases, cared for in a manner that borders on abuse.

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The problem of understaffing cannot be addressed by just increasing the current envelope allocation for staff because of all of the cost pressures and regulatory requirements that are currently in place. We need a standard put in place that will dictate how much staff is required to meet the prescribed hands-on care level and the funding in place to support it. Increases in the current envelope system get eaten up by increasing costs and new reporting requirements and don't make it to the residents.

Last year, I made the same plea for a minimum standard of care, using facts and figures, to this committee, and nothing was done. This year, we chose to bring two exceptional front-line workers with us to talk about

this very real and devastating problem in the hope that you will listen to them.

I'll turn it over to Rhonda.

Ms. Rhonda Gow: Good morning, Chair and members of the committee. My name is Rhonda Gow and I have worked in long-term care as a PSW for 25 years. I would like to speak to you today about resident care levels in our nursing home and the effects of being short-staffed and the impact it has on residents and staff.

I currently work 7 to 3, full-time day shift, in a 60-bed nursing home. Our primary care teams consist of 10 residents per staff, allowing 7.5 minutes of a.m. care per resident when fully staffed. Currently, our home is chronically short, increasing our teams from 10 to 12 or up to as many as 15 residents, thus allowing 5 to 6.5 minutes per resident for a.m. care, which is a very sad reality. Can you prepare yourself for the day in 7.5 minutes or less?

PSWs are expected to provide oral care, bathing, grooming, shaving, perineal care and toileting, most of which often require two staff members to assist with mechanical lifts. For residents who suffer from dementia or have behavioural issues, shorter care times create a feeling of anxiety, which increases aggressive behaviours towards staff. These complications make it impossible to follow all safety measures, comply with ministry standards, as well as efficiently do my job—which make it very challenging to all—while respecting patient dignity and promoting independence.

Unfortunately, due to working short, our residents miss scheduled showers as well as nail care. Meals and snack carts are often late as well as we continue to struggle with our care loads. Many staff often choose to skip breaks and stay late to try and complete required tasks. This creates a vicious cycle of higher time loss due to work-related injuries and staff burnout. I often hear from my co-workers regarding concerns that they may have missed an important detail, thus impacting the safety of our residents due to increased workloads.

Twenty-five years ago, admissions into long-term care involved elderly residents with minimal care needs. Staffing levels at that time were adequate, and I enjoyed providing care to residents. I went home feeling satisfied that I had given the best care possible. Today, many of our residents have more complex health care needs, with increased chronic disease and aggressive behaviours, yet staffing levels have not changed to accommodate these complex needs. Due to this reality, I often go home feeling as though I am not able to provide the care that my residents truly deserve. Consequently—this hurts me to say—I feel they have been neglected.

Members of the committee, I ask today to mandate a minimum PSW-to-resident ratio to an appropriate level in order to provide our seniors with the care and respect that they rightfully deserve. Thank you for your time and consideration.

The Chair (Ms. Soo Wong): All right. Thank you for your—is there another speaker?

Mr. Hank Beekhuis: Yes.

The Chair (Ms. Soo Wong): Go ahead. You have about three minutes.

Ms. Zelka Lipovac: Good morning. Thank you, Chair and members of the committee, for letting us tell you our story. My name is Zelka Lipovac. I am a PSW and have been in a long-term-care facility for 20 years. I've seen many changes, both good and bad, but one issue that remains the same is the lack of funding for resident care.

Ministry standards have increased, and they put an emphasis on resident-centred care. The front-line workers are expected to deliver this care, but we are failing, and we are being held accountable for things we do not have any control over. The biggest one is staffing. Every resident in long-term care needs assistance with activities of daily living. PSWs want to provide quality care with dignity and compassion and meet all the ministry standards. Unfortunately, we are unable to do this because of the growing number of residents who have complex needs, which outweighs the current staffing levels, especially when we are working short.

Most of us feel we are working short even when we are fully staffed. We feel like we're working on an assembly line and not dealing with people who are vulnerable and fragile. We are spending an average of six to seven minutes per resident to provide them with their daily needs, such as grooming, dressing, toileting and eating.

We are told continually to prioritize our work, so all the responsibility falls on us, and if we make the wrong choice, we are held accountable. How do you prioritize your work when you have one resident asking to go to the bathroom and a cognitive resident asking you to go to bed but who needs physical help—or do you take care of the resident who has been sitting in a wheelchair for 12 hours and is unable to speak for themselves, so you have to become their voice? There are so many times my co-workers and I feel so overwhelmed that we feel like crying. We have cried.

Our residents deserve better than to be told, "I'm sorry, you have to wait to use the bathroom," "I'm sorry, you have to wait to lie down," "I'm sorry, you have to wait to get up," or "I'm sorry, I don't have time to talk to you," even though that's what the resident needs at that point in time. It feels like PSWs are apologizing their entire shift for the lack of time they have to spend with the residents. How can we be expected to deliver resident-centred care, when all we can do is hopefully just meet their basic needs for the shift, and more times than not, it comes at the expense of our breaks? There are ministry standards for everything, but they mean nothing if we don't have the staff or the time to provide quality care to our residents with compassion and dignity.

Our funding needs to be increased, so that staff and residents are not being demoralized because of heavy workloads and working short on a continuous basis. Chair and committee members, I am asking on behalf of all front-line workers that funding be increased to reflect the level of care that the residents require and to meet the expectations that have been set out by the Ministry of Health and Long-Term Care. Thank you.

The Chair (Ms. Soo Wong): All right. I'm going to turn to Ms. Hoggarth to start this round of questions. Ms. Hoggarth?

Ms. Ann Hoggarth: Good morning. Thank you very much for your presentation. I can tell that you are very involved in your work and that you really care about the patients that you deal with. I'm the parliamentary assistant to the Minister of Labour. I know that health and safety for workers is a priority for Minister Flynn, and we're working very hard to improve that area.

I do understand that, unfortunately, the issues that you're dealing with are much more severe, particularly in the area of people with Alzheimer's and dementia and maybe mental health issues as well, and you're dealing with much more violent cases than you have in the past. I thank you for your hard work on that, and hopefully we will be able to help in that area at some point.

I would like to know if you could prioritize, other than the four-hours minimum, some other ways in which our government could help.

Mr. Hank Beekhuis: It's very difficult to say, because in so many ways, the minimum level of care is the key to so many of the questions that we have with respect to care. Ultimately, if we are working short, it ends up in people being injured; it ends up in people not wanting to come to work. So everything comes back to the funding level, and ultimately the government decides the funding level by the amount of funding they give. It's a flow-through envelope. There's no profit. It's a pure flow-through envelope.

If the home is only given a cost-of-living increase, that is eaten up by wage increases, heat, hydro, everything else. In fact, we've had situations where the funding has been increased by 1.5% and we've actually lost staff. So there's a direct relationship between what the government funds and what's happening on the floor. It's directly flow-through, so ultimately, the only people who are held accountable are the PSWs who have to actually do it.

Ms. Ann Hoggarth: So your request for the 2016 budget would be that the hours of minimum care be increased?

Mr. Hank Beekhuis: Yes.

Ms. Ann Hoggarth: Thank you for your presentation.

The Chair (Ms. Soo Wong): Thank you very much for your presentation. If there are any written submissions, you have until February 2 at 5 p.m. to submit it to the Clerk. Thank you very much.

GOOD SHEPHERD CENTRES

The Chair (Ms. Soo Wong): All right. The next presenter is Good Shepherd. It's Alan Whittle. Good morning, Mr. Whittle. As you probably heard, you have 10 minutes for your presentation, followed by five minutes of questioning. This round of questioning will be coming from the official opposition party.

You may begin any time. Please identify yourself for the purposes of Hansard. Welcome.

1030

Mr. Alan Whittle: Good morning. My name is Alan Whittle. This morning, I really want to talk to you, for the most part, about ending or seriously reducing homelessness in this province.

I'm here representing Good Shepherd, a Hamilton-based organization that strives to integrate social, economic, health and community systems in an effort to reduce homelessness and to support individuals and families in creating a fuller life as part of this community. We are the largest provider of emergency, transitional and supportive housing for this community's marginalized. We offer a range of housing options, from single moms with their infants, to hospice and palliative services to those at the end of their lives. In addition, we provide emergency food and clothing programs to those in need.

On an annual basis, Good Shepherd contributes more of its resources into addressing homelessness in this community than does the city of Hamilton. If memory serves me correctly, I believe that we contribute more than the federal government, through the homelessness prevention program. Only the province contributes more.

A home, a job, a friend: Homelessness is often viewed as a process of recovery, and these three very simple things are the key to recovery and to a more productive and rewarding life. Whatever the root cause for that homelessness, a home, useful activity and friends are key. But chief among these simple requirements is having a home. Without a home, it is nearly impossible to do anything meaningful for any extended period of time. Without a home, it is easy to become isolated and lose those necessary social contacts.

But first, let's talk a little bit about what isn't a home. Living on the streets, living in an emergency shelter, residing in a hospital or jail—no, to all of the above. But it is interesting how often hospitals and jails see emergency shelters as a home and want to discharge those in their care to them.

Is sleeping on someone's couch a form of homelessness? I believe so. Is even an apartment that is too costly, isn't safe, or is plagued by vermin or anything else that keeps you constantly watching for another place a home? It may be a place to live, but it is hardly a home.

An example: A young mother told me about how she moved 13 times in two years. Her daughter was in five different schools during that time. Every day, she was constantly looking for another place to live, because wherever she was wasn't appropriate. That was three years ago. Today, she's currently living in one of our new affordable housing programs. Her daughter has stayed in the same school in those three years.

Decent affordable housing is a path to stability, a path away from homelessness and potentially a path away from poverty. For those living in poverty, a place that is comfortable, safe and affordable is difficult to find. For many, it is perhaps most akin to the fantasy of winning the lottery, with almost the same chances of success.

What do we need to do about homelessness? At its simplest, we need to build more decent, affordable

housing. I believe you hear that frequently. Probably over the past 20 years in Hamilton, we've had an annual target of producing some 300 affordable housing units. Not once have we met that target and, I believe, only once did we meet even half of it. I encourage you to ensure that there are additional funds in place in this year's budget so that we can start to meet those targets.

But we need to do more than that. For example, we have to give some thought to building a not-for-profit sector that, sometime in the future, doesn't require capital subsidies from governments. Other places in the world have done this; we should be able to as well.

In addition to building more affordable housing, we also need to ensure that the supports to assist those recovering from homelessness are able to maintain their housing and to rebuild their lives.

Years ago, it was believed that a mental illness diagnosis was basically a life sentence of institutional care. Today, we see that if proper supports are in place, most of those in recovery clamour for something meaningful to do with their lives. It might be through art or music, but it also includes volunteering and, for many, work for money.

There are other benefits to having a place to call home. Perhaps most significant among them is a reduction in institutional care, which, as we all know, is exceedingly expensive. For instance, through our supportive housing program, we see a reduction of 72% in psychiatric hospitalizations compared to what those individuals experienced prior to being in the program. The savings are even greater. They include reductions in other forms of hospitalizations, decreased involvement with the criminal justice system, decreased calls for other emergency services such as ambulances, and reductions in the incidence of obesity and diabetes. All these savings may be difficult to see in the context of rising system costs, but they are real nonetheless.

Another option here is to not only build affordable housing with supports, but also build community hubs that bring together a whole range of services in order to maximize those benefits. Doing these kinds of projects is very difficult, and perhaps some form of seed funding would help all the players come together, because we're often talking about a variety of institutions and a variety of players coming together to do this work.

Just a related thought to the affordable housing investment issue: infrastructure spending. "Infrastructure" is a big word these days, but affordable housing is infrastructure. Just as we wouldn't think of building hospitals and schools without teachers and nurses, so too we need to think about building affordable housing with supports for those who need them.

I've talked a lot about affordable housing, but certainly the most important thing would be to prevent homelessness, and I think you'd probably all agree with me. Part of the reason I fear that we don't invest as much into preventing homelessness as we should is that we're so preoccupied with counting things. We're more likely to want to count the number of prescriptions that we use

for alleviating diabetes than actually trying to prevent diabetes. Similarly, I think we're more interested in counting how many people we house rather than how many we prevent from falling into homelessness.

We have two programs in particular that I wanted to highlight about this. One is a trusteeship program. Ourselves and two other agencies in this community provide this program, and it will probably end at the end of March this year.

In the Good Shepherd situation, basically a couple of staff manage over 300 individuals who are on ODSP and ensure that they remain housed; in the past they were previously homeless or in danger of losing their housing. With those two staff, they manage in excess of \$500,000 a month, over \$6 million a year of other people's money, and keep them in homes.

Similarly, we have a youth program that for \$430,000 prevents all manner of youth from becoming homeless. I think there are about 163 distinct individuals who were prevented from becoming homeless in 2014, and 80% of those youth had maintained their housing for six months afterwards. In addition, there were, I believe, 467 individuals who, through our LHIN-funded substance use program, were diverted from hospital; they would have normally gone to hospital. Only two of those nearly 500 individuals ended up going to hospital. These programs are very important. They save the system money. I appreciate it's difficult to track those savings some days, but they are there.

In conclusion, I want to start at the beginning again. If we need something meaningful to do in our lives, if we require friends to be around us, we will require a place to call home. A home, a job, a friend: These are the keys to ending homelessness. We need programs that will prevent it, and we need more affordable housing with supports for people to live in.

Thank you.

The Chair (Ms. Soo Wong): Thank you very much. Mr. Fedeli? Oh, Mr. Barrett, do you want to begin this round of questions?

Mr. Toby Barrett: Thank you, Chair. No, I wish to say thank you: thank you to Good Shepherd and so many of the organizations like the Scott Mission and the Salvation Army that unselfishly and unflinchingly deal with those who are less fortunate.

We've had several presentations already just this morning on the broader issues of poverty and Ontario Works, and I'm very glad you mentioned ODSP.

1040

I just want to make mention: I represent Haldimand-Norfolk, just south of Hamilton. Last Wednesday, in the town of Dunnville—it's a small town; it has had some problems—there were 220 of us from that town who spent all day taking a training program. I'll just put a plug in for this program. It's titled Bridges Out of Poverty. I recommend that. The 220 people who showed up—there were one or two from the Salvation Army and from the various services. It was farmers, volunteers, community leaders—people who want to wade in them-

selves rather than leaving it up to Good Shepherd or leaving it up to OW. I found that quite heartening. So I just wanted to put a plug in for this training program, Bridges Out of Poverty.

One thing that you mentioned, building more affordable housing I think that the town of Dunnville, the town of Simcoe, so much of urban Ontario has been hollowed out. There are a lot of empty buildings. Every storefront seems to have one or two floors up above that used to be apartments, and they're sitting empty. I don't know whether you're advocating building brand new houses. Are we talking about renovating? Could you just talk a little bit more about that, the practical side of it, of getting some bricks and mortar together?

Mr. Alan Whittle: Sure. We've done both. Right now we're actually taking what was a former warehouse and are converting it into 28 apartments. We've also built brand new. As you exit town, if you're going to the 403 out King Street way, you'll pass Good Shepherd Square. On the site are 156 new affordable housing units. So we've done a range of those. We've also worked with private developers to use whatever income supports that we could put together to get them to build housing as well.

Mr. Toby Barrett: The city of Hamilton: I firmly believe that there's a great future, a renaissance, for this city, much of it in housing and population growth. A number of years ago—maybe 40 years ago—I think of Cabbagetown, east Toronto, Moss Park. In a lot of that, the housing was there. Then the whitepainters moved in, it became gentrified and we lost that housing. I'm seeing that in some towns down my way. Real estate becomes expensive. So that's one concern that I have.

You mentioned ODSP and people living outside—it was 11 degrees below last night—I can't remember; I guess that's in the French system, the metric system. I was just saying to my colleague that I slept outside for two years, but I did that by choice and in warm weather when I was on the road. I wouldn't sleep outside when it's 11 below. ODSP: Is that a mental health issue?

Mr. Alan Whittle: Frequently it's a mental health issue, an addiction issue. Any variety of health issues often bring people to us through ODSP, yes.

Mr. Toby Barrett: Any comments to wrap up? I know we're running out of time.

Mr. Alan Whittle: I know this is a big problem. It has been with us a long time but the reality is, it is solvable. It takes the will to move forward.

Mr. Toby Barrett: My colleague would like to—

The Chair (Ms. Soo Wong): Mr. Fedeli.

Mr. Victor Fedeli: I wanted to add to that "it takes the will." When I was mayor of the city of North Bay back in 2003 to 2010, we did a study and found that we had the need for 1,000 housing units in our community. I have to say if you're looking for a solution, the model that we proposed back then was novel. Our municipality put cash in. We joined with the province, we joined with the feds, with the old AHP program—Affordable Housing Program. I haven't seen it around in a while in

that configuration. But we stepped up, not just the city of North Bay but all of the small communities: Ferris, East Ferris and Mattawa. We built 118 units in one year with municipal dollars. This is going to take everybody to solve the issue. It was a model that I don't know has been replicated anywhere. We heard that it hasn't been replicated before.

Mr. Alan Whittle: Congratulations. That program is now called IAH. If I can just quickly add: I think part of the solution—and I agree with you; municipalities also need to step up to the plate here. But I think organizations like ours are prepared to find other ways. As an example, we're working with the Diocese of Hamilton to donate a very significant property that will be used as part of a new affordable housing program.

The Chair (Ms. Soo Wong): All right. Thank you very much, Mr. Whittle. If you have any written submission, you have until February 2 at 5 p.m. to submit it to the Clerk, okay? Thank you very much. Have a good day.

BIOINDUSTRIAL INNOVATION CANADA

The Chair (Ms. Soo Wong): I believe the next witness before us is Bioindustrial Innovation Canada, and Mr. Murray McLaughlin, the executive director. The Clerk is coming around with the written submission. Come on down, Mr. McLaughlin. Welcome.

As you probably heard, you have 10 minutes for your presentation, followed by five minutes of questioning. This round of questions will be coming from the official third party. You may begin at any time. Please identify yourself for the purpose of Hansard when you begin. Thank you.

Dr. Murray McLaughlin: Okay. My name is Murray McLaughlin. I'm the executive director of Bioindustrial Innovation Canada, located in Sarnia. We're an organization that has been around for eight years now and has focused on commercial development around green and sustainable technology, really focused on the rural communities and back into agriculture, moving it from agriculture all the way through to commercial opportunities within the regions.

I've got a set of slides that I think you all have copies of. Some of these slides I will only reference very quickly, and then there are other ones I'll spend a bit of time on, just in the interests of time.

The second slide on the first page talks about what our role is as an organization. We operate as a plug-and-play organization in Sarnia, with a pilot facility, a demonstration facility, that we have at the research park there, working very closely with the colleges and universities. We focus on sustainable technologies. We bring together business and government to focus on the commercialization aspects of bio-based and sustainable chemistries and support new companies through the Sustainable Chemistry Alliance investment fund that we manage as well. We focus on building hybrid chemistry value chains across the province.

On the second page, the first slide is on a bio-economy future. This just touches on potential opportunities regionally, and not all of them. We talk about Sarnia, which has become the hub for a bio-industrial cluster, but there are other regions. In Aylmer, Ontario, we're working with the IGPC there. In Port Colborne, we work with Jungbunzlauer and others in that region. Then we move over to eastern Ontario, with a number of groups over there. The Prescott area is an area that has a high interest in this as well.

Then in northern Ontario, Sault Ste. Marie and Thunder Bay are focused more on the forestry side, of course, in that region—but again, looking at how we convert that cellulosic material to high-value products.

The second slide here, on this page, talks about how we integrate ourselves with the chemical value chain. If you look at the blue circles, fossil-based feedstock all the way through to end-user, that is the petroleum-based value chain that we see when we look at the petroleum industry. The question becomes, where do bio-based chemicals and bio-based products from agriculture and forestry feedstocks fit into this? You can see the two green circles, the bio-based feedstock and bio-materials, and then they fit into fuels and primary chemicals or else into finished products, if we're dealing with biomaterials, the finished products being auto parts or other building materials.

I won't get into all of the other chemicals that we can work with on this, but it really is moving ourselves to a bio-based industry. How do we do that? Bio-industrial Innovation Canada's mission is to create jobs and economic value sustainably in Ontario.

I won't spend time on the process that we go through here, but the bottom of page 3 talks about our balanced portfolio. This gives you kind of a snapshot of the results over the first seven or eight years, with job creation, economic value and so on that we've been able to create, with direct jobs and indirect jobs and construction jobs in the bio-based industry. We see that as a continued growth as we look at new funding for ourselves but for the industry as well.

On page 4, the hybrid chemistry cluster in Sarnia: It's a model to replicate across this province, we see. We feel that our existing chemical industry in Sarnia forms the cluster foundation. We support Ontario's farmers and foresters who provide the biomass needed—start up bio-based and sustainable chemistry companies, bringing innovation to full commercialization; available brown-field land development into biochemical businesses such as primary chemical building blocks, polymers, biomass production from local CO₂ sources for use as fuels and chemicals; and energy generation from biomass.

1050

Some of the priorities to advance the Ontario bio-economy, where we need to put our focus: We need to develop a well-articulated vision and an integrated approach to the bio-economy. Commercialization of first- and second-generation technologies remains challenging. We need to have access to capital in fostering risks.

Sharing with government must be a priority to bridge that valley of death for our start-up companies.

A top priority in demonstrating success on commercialization of technology in Ontario: BIC has a proven track record supporting the emerging bio-economy in this area and we can touch a little bit on that.

Priorities to advance the Ontario bio-economy, where to put our focus: Recognize that this is a new growth sector that will need support. The Jobs and Prosperity Fund has programs that are designed to provide support. We need to maintain it and make sure that it has focus on areas such as this.

Growth in rural Ontario will be dependent on an industry that will complement the food industry. Agricultural biomass to chemicals and non-food products is that focus. We need to recognize it is a new future to create rural jobs and businesses and to help the farming community grow, and design support programs that are effective and timely.

Two priorities of the Canadian Chamber of Commerce—I just put this in at the bottom, just so you're aware: Develop a national bio-economy strategy. The Ontario chamber is also focusing on that from a provincial perspective. Clean technology and renewable energy development is a critical area that they see as a need, which is what we're focused on as well.

Priorities to advance the Ontario bio-economy, where to put our focus: Again, the emerging global bio-economy has a home in Ontario and that will complement Ontario's food and forestry industries. Recognize now that the future is here. The time for the Ontario government's participating with Ontario feedstock providers and global technology is today. This is an opportunity to lead growth in rural and urban jobs and BIC is one of the catalysts to help do that.

We do have global outreach and that is an important part of attracting companies to the province. We were very active in the early days of attracting BioAmber here and we see a number of companies similar to BioAmber that have interest in being located in Ontario and Canada, so we can be working, again, internationally to do that. We have collaboration with a number of centres around the world that are other clusters to do that.

The challenges that we need to overcome and some of the solutions here:

- electricity cost in this province is high. We need to have a well-supported cluster program to help figure out how we deal with some of that;

- awareness of opportunities;

- competitive financial support;

- image of being unfriendly to business opportunities, which I don't believe we are, but that's an image that we have out there, so how do we make sure that we avoid that?;

- the image of high taxes, again, is something that we really have to work with to make sure that people from outside of this province, particularly internationally, understand that that is not the case;

—lack of support for the bio-economy. There's no strategy in the province for the bio-economy and there's no national strategy, as well, for that sector;

—lack of funding for early-stage companies from pilot to demonstration scale to commercialization. That's a challenge. We're starting to overcome some of that, particularly at the later commercialization stage, but there still is a need from the pilot to demonstration.

Some of those solutions:

—support for third-party organizations like ourselves or CRIBE up in Thunder Bay to help drive the bio-economy;

—creative ways to deal with electricity costs to allow company expansion and attraction;

—appropriate programs in budget 2016-17 and beyond to overcome the challenges of building the bio-economy.

Just in summary, Ontario can take a global leadership position in the bio-economy and I believe that we have moved a long ways to that. Bio-based chemicals and bio-materials are the opportunities. Agriculture, forestry and waste are the sources for conversion materials. Home-grown technologies and international attraction will establish the bio-economy companies that we will see develop in this province.

The outcome will be rural development and jobs for the 21st century through cluster development, and BIC is a model to build the bio-economy and clusters, with eight years of experience and knowledge.

I think that's kind of the gist of what I was presenting. I thought we would just move into some questions from the group.

The Chair (Ms. Soo Wong): All right. Thank you very much, Dr. McLaughlin. I'm going to turn to Ms. French to start this round of questioning.

Ms. Jennifer K. French: Thank you very much. We appreciate both the presentation and how thorough it is.

Dr. Murray McLaughlin: Thank you.

Ms. Jennifer K. French: As you mentioned, there's a lot of information here. I'd like to distill it down to a few questions that I have.

I had the opportunity recently to spend some time up north. I drove around the beautiful riding of Timiskaming—Cochrane and had the opportunity to appreciate much of the forest industry—granted, from a car window—but I had a lot explained to me. I am sure that you appreciate there's a lot to understand.

One of the things we hear at Queen's Park from stakeholders across the province is that our agricultural industries and forestry industries don't feel appropriately represented, that they're not hearing their needs addressed at Queen's Park. I think you're calling for that greater appreciation for how it all could fit together.

One of the things that you talked about is the clusters. We recognize the importance of clusters. But perhaps in this industry, if you could just delve a little bit more into how you see clusters not only being important, but what the cluster foundations would need to look like.

Dr. Murray McLaughlin: Sure. I think clusters are an important piece. I'll probably dwell on Sarnia as a

model, because that's where we've had the most experience, but there are some other clusters starting to take place around the province as well.

Sarnia basically was, and still is, a petroleum community, as most people will know. They have a number of companies in that area. But if you go back 10 or 12 years ago, Dow Chemical decided to shut down their Canadian headquarters as well as their production of chemicals in that community. That was about 1,500 to 2,000 jobs out of a 70,000 population—a major hit. The community all of a sudden became a bit of a wake-up call and the question was, what do we need to do to maintain what we have but also to create growth in this community, in Lambton county and in Sarnia?

After two years of consultation—I wasn't involved in the consultation, by the way. I was hired on afterwards to run the organization. Between industry, the local communities, the governments and businesses, they came to the conclusion that if we want to maintain what we have, we need to build a green and sustainable technology industry around it, and hence, the purpose of building a green and sustainable technology cluster in the Sarnia region, which links in the rural community—"rural" being the county—and we reached down into other counties as well, in the agricultural area.

One of the new projects we're just establishing is the conversion of corn stover to sugar. That will mean that, hopefully, this coming year, we will be building a sugar mill in Sarnia, taking corn stover to sugar.

The whole premise is if you have this sugar that's a non-food sugar, it allows companies like BioAmber or other companies in Europe and the US that need sugar to establish their production facilities in Sarnia. They don't want to go back and build a sugar mill, but they want to convert the sugar to the chemicals. If we can make the sugar, then we will attract the chemical companies there, the bio-based chemicals.

Ms. Jennifer K. French: How are we for time?

The Chair (Ms. Soo Wong): You've got—let me see—two minutes.

Mr. Miller?

Mr. Paul Miller: Hi, how are you doing? Yes, an excellent presentation. I've just got a question: What is your role here? Are you a for-profit organization that advocates for the bio-industry?

Dr. Murray McLaughlin: We're a not-for-profit. We've been funded for the last seven years through a CECR, a centre of excellence for commercialization and research. Our funding lapsed about a year ago, I guess, and we still have some funding.

We also manage an ag-sci cluster, which is funded through Growing Forward 2, which is a national cluster around bio-products. We're just in the process of looking for re-funding for the broader scope of the cluster development and so on for southern Ontario.

Mr. Paul Miller: We certainly support the agricultural community and their efforts for innovative ways to create food, and our water sources, so we certainly would

support that kind of initiative in any way we can, keeping in mind the environment as an important issue.

1100

Dr. Murray McLaughlin: Well, the environment is a big part of anything we do. Certainly, CO₂, climate change—managing that is all a key role of the future. I would add that we've just had approval for \$12 million in support from FedDev, but it's contingent on \$3.5 million from the province, which we're still in discussions on.

Mr. Paul Miller: Thank you.

The Chair (Ms. Soo Wong): All right, one minute. Ms. French?

Ms. Jennifer K. French: A quick question. One of the challenges that you cited is that electricity costs are high. This may surprise you, but you aren't the only person to say that. But you are here, so we'll ask you: Do you have any ideas on ways to deal with electricity costs, any recommendations you'd like to make to the government?

Dr. Murray McLaughlin: Well, if I look at it from the cluster development perspective and just the bio-based industry perspective, my recommendation would be, as we set up clusters across the province in the right geographic areas, that we call them geographic zones where we can provide lower-priced electricity to industries. If it's bio-based industries and they build in these zones, these clusters, then you give them a break on their electricity. It may be a five- or 10-year break or something, but it gives them a chance to get established.

To be honest, there are a lot of companies that we talk to internationally that have an interest in being in Ontario, but as soon as they start developing the costing, electricity cost, they turn away, because the biggest cost most of these companies have in their production is electricity and labour.

The Chair (Ms. Soo Wong): Dr. McLaughlin, your time is up. Thank you for your presentation and for your written submission.

HOME CARE ONTARIO

The Chair (Ms. Soo Wong): The next witness before us is Home Care Ontario. I believe the Clerk is coming around with the written submission.

Ms. VanderBent, welcome. As you've probably heard, you have 10 minutes for your presentation, followed by five minutes of questioning, and this round of questioning will be coming from the government side. You may begin any time. Please identify yourself for the purposes of Hansard when you begin. Thank you.

Ms. Sue VanderBent: Thank you. Good morning, everyone. My name is Sue VanderBent, and I'm the CEO of Home Care Ontario.

Ladies and gentlemen, the members of Home Care Ontario want to begin our pre-budget submission recommendations by thanking the government for the three-year investment in health care and home and community care since 2013 and the funding to increase PSW wages in 2014. We believe that the government is understanding

the importance of shifting the funding paradigm to the community as a priority in order to transform the health care system.

Home is where people want to be; we know that. Investments by government have helped to increase the numbers of people realizing their goal to stay at home. At the current time, 715,000 people are receiving home care services and the overall funding has increased.

In shifting care to the home, government is now in the process of looking at the structure and the means by which home care services are delivered, and we're hoping that there will be further efficiencies from that. However, Home Care Ontario offers two recommendations for the continuing funding of our sector.

Our first recommendation is to increase the funding for home care from 5% of the proportional health care spend to 6% of the total budget over two years.

The second is to establish an educational campaign and adopt strategies to support the needs and expectations of families to contribute to care.

The association recognizes the government's efforts to pave the way for a better health care system. It's now time to really try to tip that funding paradigm.

Home care is one of the least expensive forms of health care. We could offer four million more visits for \$172 million, which is quite remarkable. A 10% increase in PSW hours—three million hours—at current rates costs \$85 million. A 10% increase in nursing hours—that's 830,000 visits—costs \$65.2 million, and a 10% increase in therapy visits costs \$21 million, and we could give 180,000 more visits. This would really help to keep people in their home.

We know that the cost of home care is considerably less than the cost of a day in hospital or in long-term care, and caring for terminally ill patients at home is estimated to cost over 10 times less than providing care in an acute-care hospital. However, the funding for home care still remains at 5%, which is proportionately where it was in the year 2000, and it remains to this day at that proportional spend.

The Sinha report, the Donner report and the recent Auditor General's reports have demonstrated that the need is great, and the demographic shift that we are going to experience in the next 25 years will continue to shift the need for care to the home.

We want to bring more people home longer, bring people home from the hospital sooner, palliate more people at home, offer renal dialysis at home and hopefully bring people out of the hospital who do not need to be there and help them live at home, where they actually are far better off.

Funding for people, our people, is necessary as well. The service provider organizations who work in home care have had a lot of suffering related to the issues related to the cost restraint. There has been a six-year period without increases to bill rates. There has been no increase in funding to address even the impact of consumer price index changes, which is averaged at 1.5% per year over the restraint period.

We know that this is a time of cost restraint for all parts of the health care system, that every part of the health care system is affected, but more and more and more people are expected to come in to home care. That is the transformational place where we absolutely need to increase spending in order to increase care to people.

Given that the premise of government-funded home care is to supplement the care provided by families, it's vital that Ontarians understand what they can expect. Right now, I think the recent reports that we've had have demonstrated that people in Ontario do not know what they can expect. All that they are entitled to right now is an assessment. This assessment is very, very thorough, but it does not necessarily lead to service. People are quite in the dark, and that is exactly what these reports have told us.

We believe families are entitled to understand the full range of services that are available to them prior to making life-altering decisions such as sending their loved one to a long-term-care facility or taking them precipitously to the ER. This means that despite the measures already being taken, as a society, we have to understand that home care is still in its infancy and is a nascent part of the health care system right now.

The two recommendations that we're making are to increase the funding for home care to 6% of the total budget over two years. Right now, Ontario's 2015 budget has a total health care budget of \$51.7 billion. The investment that we are calling for should increase home care to \$3.1 billion, an increase of \$600 million over two years.

This level of commitment is absolutely necessary to shift care to the community. It will enable first-dollar coverage for palliative care at home; improve support for patient populations with high needs, such as COPD, congestive heart failure or renal failure; proactively support the elderly so they can remain at home longer without an acute event; increase respite for families; and improve compensation of staff so that we can narrow the widening gap between the home care world and the hospital and institutional world. Most importantly, it will answer the burgeoning need for better home care demanded by Ontarians and demonstrated in the Donner report.

Finally, our second recommendation is to establish an educational campaign and adopt strategies to support the family contribution to care. We do need to launch an educational campaign to educate all Ontarians about the actual capacity of government-funded service and the options that are available to help them as family caregivers. We need to have an honest conversation with the health care team in order to understand families' needs and our ability to care for them.

We need to support the family contribution to care by funding respite, as outlined in our recommendation 1, and we believe we need to introduce tax credits and/or tax exemptions for families who purchase care from approved providers. We know that right now, 500,000 Canadians are purchasing care every year. We know that

150,000 Ontarians are already purchasing 20 million hours of care a year. Any reduction in tax revenue through this policy change would be offset by the avoidance of more intensive and costly publicly funded health care, for instance, less long-term-care visits or visits to emergency.

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In conclusion, Home Care Ontario believes that the government's efforts to achieve health system transformation are exemplary, but will be strengthened through increased funding for home care services at the front line, and by improved education and preparation of families whose personal contribution to home care need is vital.

The Chair (Ms. Soo Wong): Okay. Thank you very much for your presentation. I'm going to Mr. Baker to start this round of questioning.

Mr. Yvan Baker: Hi, Sue. How are you?

Ms. Sue VanderBent: Good, thank you. How are you?

Mr. Yvan Baker: Good. It's good to see you again, and thank you very much for your presentation—as always, professionally put together with a lot of clarity and a lot of thought and some very, very helpful suggestions, so thank you. I also want to thank you for the work that you and your members, the people who you represent, do.

In my riding in Etobicoke Centre, we have one of the highest percentages of seniors of any riding in the country, and so the services that your members or the people you advocate on behalf of provide are vital. I remember it was really eye-opening to me, when I was just an aspiring politician and knocking on doors and talking to people in the community, how many people I spoke with who talked about the importance of community care and how we need growth and investment in community care. It was not just seniors who were saying this to me. In fact, predominantly, it wasn't. I heard this from seniors, but I also heard it from middle-aged folks who were caring for their parents and often for children as well in that sandwich generation. So the importance of the work that the people that you represent do can't be overstated.

You talked about the funding increase. In fact, as I follow up on that point, when I heard from people—that's one of the reasons I'm so proud about the investment that you talked about that our government made in committing to a 5% increase in home and community care, which will grow by over \$750 million over the next three years.

I guess, connecting that back to my constituents and to the people who need to be served by community care and home care, can you talk a little bit about how investments like that would benefit people in the community?

Ms. Sue VanderBent: Well, I hear every day from people who could benefit from one more visit, two more visits, and that visit is the very visit that could help them not go to the ER or the family not fall apart. So it's often on the margins. It would help us to have a more streamlined system where we could shift the care to the

front line to hold service providers responsible, clinically and fiscally, for outcomes, for managing a type of care like, say, healing a wound—you healed a wound in seven visits or six visits. Then we could be very, very efficient. So it would help us shift the system and offer people more visits in the home, because that's where we need the care, at the front line, right at the bedside—the bedside that belongs to the person in their own home.

It is really critical now, because I think we've shaved down, actually, home care. We're serving more people, but the care that each individual person is getting is very, very slim, and that's what we're trying to—we do want to serve more people, we want to touch more people, but those touch points have to be good touch points so that people feel that they've received an adequate amount of care.

Mr. Yvan Baker: That makes sense. You talked about the PSW wage enhancement. I have an organization called Etobicoke Services for Seniors, which does wonderful work in my community in the area of home and community care, and this issue came up in discussions with them. Can you talk a little bit about the importance of the enhancement? Why is this important?

Ms. Sue VanderBent: Well, what we need to do is stabilize our PSWs. We have found that they come and go because the pay was poorer. Now we have stabilized, and we will stabilize by April 1 to \$16.50 an hour. That's a stable wage to keep people functioning in our sector, and that was very necessary. That was a key ask for this association, over many years, to say that's critical, to stabilize the PSWs. Some 80% of the care is delivered by the PSWs.

We have a burgeoning need for our nurses and for our therapists, who are also providing really, really important work, especially when we want to bring out more people from the acute-care sector, like someone who has a renal disease or somebody who is palliative. We need to have our nurses and our therapists also receiving adequate pay, because at this point, the pay differentials between hospitals and long-term care and home care are quite wide.

The Chair (Ms. Soo Wong): Okay. I'm going to need to stop you here, Ms. VanderBent. I know you have given your written submission to us, so thank you for your presentation and your written submission.

Ms. Sue VanderBent: Thank you.

MS. TIMEA NAGY

The Chair (Ms. Soo Wong): For committee purposes, the next witness is coming to us by teleconference. I just want to make sure—Ms. Nagy, are you on the line?

Ms. Timea Nagy: I am.

The Chair (Ms. Soo Wong): Okay. Can we have it a little bit louder so everybody can hear?

Just so everybody knows, I was told by the Clerk that she'd like for me as the Chair to introduce her as a sex trafficking survivor and social advocate for sex trafficking survivors.

Ms. Nagy, just so you know, I'm going to introduce the committee members so you know who is sitting at the table right now, and I'm going to go through the criteria so that you know your time to speak, as well as which party will be asking you the questions. Okay?

Ms. Timea Nagy: Sounds great.

The Chair (Ms. Soo Wong): To my left in the room, at the left part of the round table here, are Mr. Fedeli and Mr. Toby Barrett from the opposition party. From the official third party is Ms. Catherine Fife, Ms. French from—is it Durham?

Ms. Jennifer K. French: Oshawa.

The Chair (Ms. Soo Wong): Oshawa, I'm sorry—and Mr. Miller from Hamilton.

From the government side, I'm going to start with Mrs. Albanese from York South—Weston, Mr. Baker from Etobicoke Centre, Ms. Ann Hoggarth from Barrie, Mr. Peter Milczyn from Etobicoke—is it South? Is it Lakeshore?

Mr. Peter Z. Milczyn: Lakeshore.

The Chair (Ms. Soo Wong): —Lakeshore, and Ms. Daiene Vernile from Kitchener Centre.

I forgot when I was introducing Mr. Fedeli: He's from North Bay, and Mr. Barrett is from—

Mr. Victor Fedeli: Haldimand—Norfolk.

The Chair (Ms. Soo Wong): Haldimand—Norfolk. And then myself: Soo Wong, Chair of the committee.

Ms. Nagy, you have 10 minutes for your presentation, followed by five minutes of questioning. This round of questioning will begin from the official opposition party. You may begin anytime, and please just identify yourself for the purposes of Hansard.

Ms. Timea Nagy: Thank you. Good morning. I'm sorry I can't be there in person. I am not feeling well, unfortunately, so I thought it would be best if I did this over the phone.

My name is Timea Nagy. I am a survivor of sex trafficking and founder of Walk With Me Canada Victim Services. Walk With Me Canada Victim Services started in 2009 in the hopes of helping victims of sex trafficking. Before that started, I was trafficked in 1998 from Hungary to Canada. I was trafficked into the strip club industry at the age of 20. I was surrounded by foreign women, and later on, it turned out that hundreds of us were victims of sexual exploitation under the strict work visas that the federal government at the time introduced. It caused exploitation. There were no laws at the time for human trafficking. I became a witness in court. In 2004, we entered into court, except we still didn't have any laws for human trafficking, so there were no convictions.

It was 2009 when I started my organization, called Walk With Me, which is when I first started to speak out about my experience, recognizing the need for police agencies and service providers to learn about this issue. Then, when enough police and service providers realized that we probably have a lot bigger problem in Ontario with human trafficking than we initially thought, they started to reach out because they needed help with

victims, which is how we started our front-line care for victims.

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Fast-forward: In the six years that I've worked with Walk With Me, we've educated over 10,000 police officers, we assisted in three federal law changes and we're helping MP Joy Smith introduce new human trafficking-related amendments. We assisted 300 victims, 500 investigations and worked with over 39 police agencies, including ICE and the FBI from the United States. We have also worked on several large international cases. But what was the most stunning for us is that we've done all this work with very, very little grants and government funds because at the time governments haven't realized that we have a big issue. We operated mainly on private donations and mainly with a Hamilton businessman's help.

What was even more shocking is that after all the cases that we worked with, 93% of our victims we identified were Canadian girls. We identified them as young as 12 years old—sex traffic. We realized that they were recruited online, from school bus shelters, malls and so on. They were working in condos, apartment buildings, hotels and on the streets. Eventually we became the go-to agency in Ontario and in Canada and some states in the United States as well, where they came to us for help with regard to implementing education and help to provide appropriate victim care.

After six years, as there were more victims coming through our door and not enough funding, we unfortunately decided to close our doors. As of last year, 2015, we closed our doors. That gave us some time to reflect and realize that the necessary steps are so much bigger than just giving a victims' agency life, which is when I took some time off and we created, with some of the experts, I would say now, suggestions for what we need to do.

Before I go to what I would like to suggest to the Ontario government, there are just a few numbers. When we started working with Walk With Me, we started to look for online escorts on Backpage. That's where most of the victims are stored by the traffickers. In 2009, when I started to work on Backpage and tried to find victims on Backpage and return them to their families—just to give you a number, on the Hamilton side I would find maybe five ads, maybe five victims; in Cambridge I'd maybe find 20; in Barrie, I may find possibly four victims; Oakville, 10; Durham region, maybe five; in Peel, about 40.

Fast-forward in time to 2016: If you go on Backpage now, on any given day, Hamilton is about 30 to 60 possible victims on a daily basis. That's how fast our problem has grown. In Durham region, for example, when six years ago we started to work with the police, we may have found, like I said, 10 ads. Now on any given day they have about, again, 30 to 60 ads. In Durham region, one of the prime examples, their chief and deputy chief realized that the problem was so big that they decided to put in an actual human trafficking

investigation unit. So we do make some great success in some areas, but I believe that it is time for us to actually take a much bigger step towards a solution.

Ontario is the leading province with regard to how many police investigations happened here—human trafficking investigations and convictions—in the entire nation. But, with respect, that does not mean, in my opinion, that it's because Ontario has the worst situation with human trafficking. Just recently, a Toronto Star series came out and created a huge awareness and said that Ontario is the worst province for human trafficking, and I respectfully disagree. Ontario probably had the most education, which is why we see more trafficking cases, but I wouldn't say that this is where it happens the worst. I believe that it's equally bad in every province in Canada.

At Walk With Me, myself as an individual, I have sat in on many coalition meetings, international, national and regional, and we have done much research and interviewed hundreds of victims, social service providers and police agencies. We know that it's happening. We know it's bad. We know what needs to be done. I think Ontario is ready to make a professional and an appropriate step towards combatting this issue. I believe that we have enough information at hand that would be able to help us to create an educational centre.

Our suggestion to the Ontario government is not to act out of panic and not to give in to the pressure that the media and everybody is putting on right now with regard to doing something about human trafficking. Our position is to please sit down with the key stakeholders, who will give you a solution. A solution is very simple. This solution has been done in Norway and Australia and the United States, but we don't have to go that far; this solution has been done in British Columbia and Alberta, and it's as simple as a coordination centre—very, very similar to what we have for hate crime in Ontario—and it would be called the Ontario human trafficking coordination centre and would have all the sectors. The biggest key for our coordination centre would be that, in the first six months of the project, our goal would be to go out and take an inventory from every sector that has worked in human trafficking to date and see what we already have, not to reinvent them over and over again. What I have seen is that grants are given out left, right and centre constantly for the same projects—\$5,000, \$10,000 or \$20,000 here and there—and everybody is creating their own materials, but it's not consistent. I believe that having a coordination centre with the policy regulator sector, education sector, service provider sector, research and data, sponsorship and volunteer coordinator—I believe we could save so much money for the Ontario and the federal government and charities and foundations and collect the existing resources that we already have and then go from there and build on that. But again, this has been already done, so we don't actually have to start from the very beginning.

The Chair (Ms. Soo Wong): Ms. Nagy, I need to stop you right now so that I can turn—

Ms. Timea Nagy: Thank you. I'm actually done.

The Chair (Ms. Soo Wong): Okay, that's great. Thank you. I'm going to turn to Mr. Fedeli to ask you some questions.

Okay, Mr. Fedeli.

Mr. Victor Fedeli: Thank you very much, Ms. Nagy. Let me begin by saying, first of all, how horrible for you. I think your presentation—I won't say shocked a lot of us because we've heard so much. But I think I would say it would startle us, your story of being trafficked from Hungary. In the face of this adversity, how brave of you in 2009 to develop the Walk With Me program, so I would say to you: Thank you for that initiative.

Your numbers were startling: 10,000 police officers, three federal law changes, 300 victims, 500 investigations, 39 police groups. It's just startling and stunning, and I think here we're sitting in a sense of thankfulness for you for doing that. My question to you would be: What other resources can the government allocate if they won't act on creating the task force that was proposed by MPP Scott and passed by our Legislature?

Ms. Timea Nagy: I think the task force that she meant is—and I could be very wrong, but I have been working with her on her proposals as well—

Mr. Victor Fedeli: Yes, she told us that.

Ms. Timea Nagy: Right. I think she's suggesting something very, very similar, if not the same. I call it a coordination centre; she calls it a task force. I think any politician would love to hear what I say, and I actually mean it: I don't think we need to put money and resources anywhere just yet. I think the first step we should do is create a centre and take an inventory and see what we already have and go from there. So my proposal would say is: Let's do a one-year pilot project, without starting to spend the taxpayer money on something that we don't even know exactly if it's effective. Let's just start with that. Let's take an inventory and take it one step at a time and come back with an evaluation. Then we can make recommendations on what should be next after hearing from the stakeholders in Ontario.

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Mr. Victor Fedeli: So you call it a coordination centre; MPP Laurie Scott calls it the task force, much like the guns and gangs initiative that was developed.

Ms. Timea Nagy: Exactly.

Mr. Victor Fedeli: That's what's in your mind as well; right? We have this centre and we start. We start at the beginning and create—in your case, you're suggesting the inventory: Where are we today? A picture, a snapshot in time; am I correct?

Ms. Timea Nagy: Right, exactly. Except that the guns and gangs—when, let's say, a special case happens in Simcoe, a small town, they will call in the guns and gangs from the headquarters.

My suggestion is that by having a coordination centre, as in my proposal, one of the sectors would be education or another sector where there is a human trafficking coordinator officer present, for example from the OPP. She would provide training to all cities and all units so that you don't have to have seven dedicated police

officers in one city and mobilize them any time there's a case somewhere. But you provide training to every single police agency and make it consistent training so that you save money on that.

Mr. Victor Fedeli: I think you've certainly kicked it up a notch today by bringing this to light in front of our committee here.

What else could the government be doing to facilitate the sharing of the information between the departments? Is this centre or this guns and gangs initiative-like taskforce—will that do it, in your opinion?

Ms. Timea Nagy: I'm sorry; can you just repeat the question?

Mr. Victor Fedeli: I was talking about what can be done to facilitate the sharing of information between the departments. Do you think that this centre or this task force based on the guns and gangs initiative—will that help in terms of sharing the information?

Ms. Timea Nagy: Absolutely, absolutely. I can give you an example, but I think we're running out of time—but absolutely.

Mr. Victor Fedeli: The Durham region seems to be the leader in this area with their seven-person task force. Is that the kind of model that we should be looking at? Is that what you're recommending as well?

Ms. Timea Nagy: The leaders in Ontario, actually, are the Peel Regional Police because they have been doing this since 2000. They actually have two sets of teams of, I believe, six. But Durham region is up and coming and they have created everything that they have to date just in the last two years.

I think Peel and Durham regions are fantastic and perfect examples of what happens in a region when every single sector decides to come together and share information.

Mr. Victor Fedeli: We can hope that the task force that was proposed by Laurie Scott and approved by the Legislature gets some traction in the very near future.

Ms. Timea Nagy: Thank you so much. Me too.

The Chair (Ms. Soo Wong): Thank you, Ms. Nagy. Now, before you go, you have until February 2 at 5 p.m. to send any written submissions to the committee.

Ms. Timea Nagy: Okay.

The Chair (Ms. Soo Wong): On behalf of the committee, I want to say thank you very much for joining us this morning; but more importantly, to thank you for sharing your story and your courage and your determination—because, at the end of the day, it's Ontarians like yourself who are prepared to share with the committee all your good work. Thank you, and keep up the great work.

Ms. Timea Nagy: Thank you so much for hearing me out. Thank you and have a great day.

The Chair (Ms. Soo Wong): You too. Thank you, and I hope you feel better.

HAMILTON ROUNDTABLE FOR POVERTY REDUCTION

The Chair (Ms. Soo Wong): The next group coming before the committee is the Hamilton Roundtable for

Poverty Reduction. I believe it's Tom Cooper, the director. Mr. Cooper, welcome.

Mr. Tom Cooper: Good morning.

The Chair (Ms. Soo Wong): Good morning. Before you begin, just to understand the rules here, you will be given an opportunity to speak for 10 minutes, followed by five minutes of questioning. This round of questioning will be coming from the official third party. You may begin any time. Please identify yourself for the purpose of Hansard when you begin. Thank you, Mr. Cooper.

Mr. Tom Cooper: Thank you. Good morning. My name is Tom Cooper. I'm the director of the Hamilton Roundtable for Poverty Reduction, as well as co-ordinator of the Ontario Living Wage Network.

I'm very happy to be here today. It's interesting timing, though, because this morning social media is aflutter with a headline: "The 62 Richest People on Earth Now Hold as Much Wealth as the Poorest 3.5 Billion." I don't think anybody credible would say this is either good for the world or good for the economy.

Certainly, here in Ontario, and here in Hamilton specifically, we have seen the impact of income inequality. Here in our community, there are more than 18,000 individuals who use food banks every single month. Amongst that number are 6,000 kids. So if you break down those numbers by the average class size in Ontario, in reality there are enough children going hungry, enough kids using food banks in this city alone, to fill 270 classrooms. It's unacceptable. In a society such as ours, we can do better and we must do better.

The Hamilton Roundtable for Poverty Reduction has been working on the issues of income inequality and poverty reduction in our community for the last decade or so, but we certainly recognize that there are key areas where the provincial government can step up and make a difference in the lives of families, children, seniors and many other individuals in our community.

I'm going to start with income security. Ontario's labour market outlook isn't as robust as it used to be. The old adage that the best way out of poverty is a job no longer holds true. Precarious employment affects approximately 44% of employees in the greater Toronto and Hamilton area. We know that there are a growing number of jobs whose characteristics of precarious employment mean that they don't have health benefits, and they don't have the stability of knowing if they're still going to have a job six months, 12 months down the line.

Part-time work is also a characteristic of this, and we know that there are many individuals in the service and retail sectors who simply don't have the stability of knowing how many hours they're going to get from one week to the next. This is not only playing havoc with the stress of those individuals, but again, it's not good for the economy.

Here in Hamilton, there are 30,000 people who go to work every single day and are not earning enough to pull themselves or their families out of poverty. They're the working poor. Unfortunately, minimum wage isn't

cutting it for them. We know that minimum wage falls significantly below what families need, not only here in Hamilton but across Ontario, to make ends meet.

That's why, here in Hamilton, individual organizations and employers have stepped up and they've begun adopting a living wage. It sets a different standard. It really highlights the cost of what families need to cover in their daily lives, including food, housing, transportation, child care and health benefits. We know that many families are finding it incredibly difficult, and that's why we're glad that organizations like the Hamilton-Wentworth District School Board, the Hamilton Chamber of Commerce, many small retail businesses and many non-profit organizations have stepped up and started paying a living wage.

We'd really encourage the province of Ontario to look at this model and follow an example similar to what Alberta is taking up in terms of looking at a \$15-an-hour minimum wage. It is good for the economy; it is good for those workers who are pulled out of poverty.

We're also discovering that it is good for employers as well. Employers who have adopted living wages—and Catherine Fife will appreciate this, because in Waterloo region, they've recently done a survey of the employers in that community who have adopted a living wage. They have found that those employers who have adopted a living wage have actually hired more employees, so it is a benefit to those organizations.

Across Ontario, we have about 26 communities that have adopted a living wage and are looking at living wage initiatives—communities from Thunder Bay to Niagara Falls, from Windsor to Cornwall. This is very much a provincial movement that Hamilton is proud to be part of.

We would strongly encourage the government of Ontario to look at things like procurement policies. Businesses that the government has to do business with could potentially be paying their employees a living wage, and it would send a strong signal that wages are an important aspect of pulling families out of poverty.

It would certainly benefit communities. We know that when families have more disposable income, that is money that's spent locally on local goods and services. It's improving local economic conditions, economic development, and improving jobs as well.

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The other income security front I'd like to talk a little bit about today is social assistance. Now, I think you've probably had a couple of other presentations this morning, but we know social assistance rates are woefully low in this province. As I mentioned, there are about 18,000 people in Hamilton alone who are using food banks every single month. Of that number, 75% are on provincial social assistance programs.

Think about that. Three quarters of everybody who's using a food bank are really receiving their main income source from the provincial government. In a very real sense, the provincial government is instituting hunger through its inability to fix the social assistance system,

and we've been in a situation in this province where there have been tweaks to the system but not a wholesale reform, which is what is needed. Over the last 20 years, we've seen the social assistance rates actually fall relative to the cost of living. So even comparing rates to 2003, when this current government came into power, if you factor in cost of living, rates are actually lower today than they were then. And we know that those families on social assistance are living in the deepest poverty in society. Certainly food security is a big issue, and that's why so many are using food banks.

We know housing security is another threat to families, and affordable, secure, accessible housing is becoming more and more impossible to find.

We would strongly encourage the development of an evidence-based approach to setting social assistance rates: looking at the cost of goods and services in communities across the province and really setting social assistance rates based on what it costs to live. It is a rational determination of costs. If we are going to pay social assistance rates as a province, let's actually figure out what people need to live on.

Moving to housing, we know, in Ontario, housing remains a huge challenge. Here in Hamilton, for example, 80% of unattached individuals and 60% of lone-parent families spend more than 30% on housing every single month; 48% and 27%, respectively, spend more than 50% of their incomes on housing costs. And we know housing costs are only going up, as we've seen across the country a 12% increase in retail housing. That's definitely having a trickle-down effect on rents as well, and we've seen lower vacancy rates and rents soaring across this community.

We also know that homelessness remains very real in this community. There are hundreds who experience homelessness every single month in Hamilton, and certainly across the province it is becoming more and more challenging. Most disturbingly, perhaps, women who are victims of domestic violence are unable to find emergency shelters; 90% of women's shelters designated for victims of violence in Hamilton turn away about 300 individuals every single month.

We need an affordable housing strategy in this province—

The Chair (Ms. Soo Wong): Mr. Cooper, I need you to stop because I'm going to turn to Ms. Fife to ask you some questions for the next five minutes. Oh, Mr. Miller.

I'm sorry. Mr. Miller, you may begin this round of questioning.

Mr. Paul Miller: Good morning, Tom.

Mr. Tom Cooper: Good morning.

Mr. Paul Miller: This seems to be a familiar thing for me with you. I believe we were sitting across from each other five or six years ago. I believe at that time Deb Matthews was in town promising to end poverty, 5 in 25 or something, and it obviously hasn't progressed to anywhere near where we need to go. Would that be a fair statement?

Mr. Tom Cooper: I think it is definitely a fair statement. We need more investments across the board.

Mr. Paul Miller: And I can speak from personal experience and in dealing with you on a regular basis as well from my office that 20% of the people, roughly, in my riding live below the poverty level. These are people who struggle. They pay most of their money for their hydro or their rent, and the food bank usage has gone up drastically in the last two years, especially. Would that be a fair statement?

Mr. Tom Cooper: That is accurate, yes.

Mr. Paul Miller: You're obviously a lawyer who is with the clinic, or working for the clinic. Do you find that the caseload has doubled or tripled there at the clinic?

Mr. Tom Cooper: I'm not personally a lawyer, but the Hamilton Roundtable for Poverty Reduction's sponsor organization is Hamilton Community Legal Clinic, and they have certainly seen an increase in case-loads, particularly those at risk of losing their housing.

Mr. Paul Miller: Right. I would say, on a provincial average, that Hamilton is probably one of the highest-hit areas for poverty and precarious work. These loan places that Quebec banned, loan companies where for 20 bucks, you get \$300—"cash for life," or whatever it's called—have certainly had a negative impact on poverty and the poor in this city. Would you say that?

Mr. Tom Cooper: I would say predatory lending and payday loan outlets are a blight on society. We've certainly seen the impact on low-income and vulnerable Hamiltonians. We would like to see much stronger legislation, much stronger regulations, on that industry.

Mr. Paul Miller: Well, I hope the government is listening to this, because it's a very important issue in Hamilton, as well as Toronto and surrounding areas. Poverty has been an ongoing problem in the Hamilton area since I've been in office. People here are not happy with the performance of the provincial government in reference to poverty in this city. It has become rampant. We drastically need help here, and we need people to pay attention to this and take it seriously. Some may and some may not over there; I'm not sure. But this is an important issue.

I can't emphasize enough how important your decisions on this committee, taken back to the government, will make an influence on people's lives in this area and change their lives for the good. We've got 6,000 kids who are going hungry. We've got—how many?—30,000 people who can't find employment. We're hundreds and hundreds of affordable housing units down, and we've seen very little progress in Hamilton from the provincial government.

This has to change. This is going to become a focal point in the next two years. It has been for a long time, but we're certainly going to increase the pressure, because it's absolutely disgusting what's going on in this city, for the lack of help we're getting. I hope you're listening, because it's going to become a big issue.

Now, getting back, Tom, what would you like to see? I know we've had so many committees struck. I've seen so many, over the years, "We're going to study this to death." The bottom line is, social services need money.

We need housing. We need money for kids for food and to help pay their hydro bills. ODSP and OW are drastically disgusting amounts. We need a livable wage at \$15. Is that fair, Tom?

Mr. Tom Cooper: Yes.

Mr. Paul Miller: I can't tell you how many people are suffering in this city. I guess there's a demonstration coming up shortly, outside, for part of it. But the bottom line is that something has to be done, folks—my colleagues. Something has to be done soon.

I believe Ms. French has a question.

The Chair (Ms. Soo Wong): You have one minute, Ms. French.

Ms. Jennifer K. French: Thank you. I'm here representing the people from Oshawa. I think we share many things in common. People really hope that the government gets its fundamentals, its basics, right. Public services need to be strong. Hospitals, schools: All of these things come together. We need a strong job creation strategy.

In Oshawa, we have the second-highest youth unemployment rate, which doesn't leave us very hopeful. Our child poverty rate downtown is about 50%, if you can imagine.

One of the things that you mentioned, in terms of housing—you echoed something we heard earlier about an evidence-based way to set social assistance. Could you make a quick recommendation to the government—

The Chair (Ms. Soo Wong): Mr. Cooper, one sentence, because I want to move, because we have another speaker before lunch, okay?

Mr. Tom Cooper: A social assistance rates board that could be presented with evidence on the cost of living in communities across the province could potentially recommend to the government social assistance rates based on what it actually costs to live in communities.

The Chair (Ms. Soo Wong): Okay. Thank you, Mr. Cooper. If there is any written submission, you have until February 2 at 5 p.m. to submit it to the Clerk. Thank you for your presentation.

Mr. Tom Cooper: Thank you for your time.

OPSEU

The Chair (Ms. Soo Wong): All right. The next witness before us is OPSEU. I believe it's Tammy Carson, the provincial health and safety chair. The Clerk is coming around with the written submission. Good morning.

Ms. Tammy Carson: Good morning.

The Chair (Ms. Soo Wong): As you probably heard, you have 10 minutes for your presentation, followed by five minutes of questioning. This round of questioning will be coming from the government side.

You may begin at any time. Please identify yourself for the purposes of Hansard when you begin. Welcome.

Ms. Tammy Carson: Thank you. It's nice to meet everybody. My name is Tammy Carson, and I am the provincial health and safety chair for adult corrections,

representing OPSEU. I'm also a correctional officer at the Central North Correctional Centre in Penetanguishene.

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Thank you for the opportunity to present today on the subject of health and safety in adult provincial corrections. My colleague Chad Oldfield, who is also the president of the Maplehurst correctional centre, will present at my conclusion.

I represent 7,000 correctional, probation and parole officers and the bailiff transport unit in Ontario. We are in a crisis in corrections. Allow me to begin with what I believe is required to rebuild the corrections system to be a healthier and safer place.

We are extremely short-staffed in corrections. The corrections college was closed down to new recruits—and a hiring freeze for over three years; for over three years there was no recruitment or hiring of new correctional officers or probation and parole officers. The Ministry of Community Safety and Correctional Services just committed to recruiting 144 new correctional officers and 25 probation and parole officers. With 20% of correctional officers and correctional managers eligible for retirement over the next three years, I am not sure how our ministry is ever going to have enough staff.

MCSCS also needs to commit to a plan to retain professional correctional officers. With our unsafe and digressing working conditions, it makes it difficult or impossible to think of working in this profession for up to 34 years.

Correctional facilities are operating on skeleton crews each shift, thus making it barely possible to perform basic correctional officers' duties such as meal delivery and supervising medication rounds. Inmate visits are cancelled on a regular basis and programs are becoming obsolete with regular lockdowns. Facility lockdowns are becoming the norm instead of a rare occurrence. In 2015, there were approximately 800 facility lockdowns throughout the province. The reasons for the lockdowns ranged from being short-staffed to assault and to weapons searches.

The lack of resources leads to the next issue: the alarming increase of inmate-upon-inmate and inmate-upon-staff threats and assaults in our facilities. The official stats for 2015 have not been released yet, but our estimate is that the number of inmate assaults on staff will be well over 1,000—the highest assault-on-staff numbers in corrections throughout Canada. This number does not include threats towards staff or the number of threats and assaults that go unreported.

To help minimize violence and maximize the health and safety in corrections, we require modern, effective equipment to detect contraband, including weapons and drugs, out of our facilities. To ensure the safety of all staff and inmates and the public, we require a full-body scanner in every facility, which are approximately 26. The metal detectors that we have are not effective in detecting non-metal weapons, drugs or other contraband. A pilot with a full-body scanner was set up in Toronto

South Detention Centre. The full-body scanner was a very successful pilot project and has been permanently installed. The body scanner is about \$400,000 per unit, for approximately \$10,400,000, keeping in mind this does not include the cost of installation, possible retrofits to accommodate the space and the training for staff.

I am also requesting that all correctional officers be issued with a bullet/stab/slash-resistant vest. It's hard to believe that we don't have this. The current practice is that only community escort trained officers are issued with a vest. With the increase in violence and weapons in our facilities, this is a very unsafe work practice. This also makes conducting a weapons search within our facilities a daunting task. About 60% of all correctional officers have been issued with a vest. We have approximately 5,000 correctional officers. We require a vest for about 2,000 more correctional officers, at a cost of approximately \$450 each.

One lockdown to search for a weapon at a superjail such as mine, Central North Correctional Centre, for four days, costs approximately \$250,000. The health and safety of a worker should not be put at risk due to the lack of funding.

We are also requesting that all operational workers in correctional facilities be provided with a radio to ensure effective communications. I know it's hard to believe that we don't even have the basic equipment such as a radio to communicate with ourselves or with our central control units, but this is a fact—we don't. There are several times that a correctional officer, including myself, or a manager reports to shift and is not issued with a radio because there are simply not enough. It is estimated that we require another 3,500 radios to ensure also that our nursing and maintenance staff are available via radio. Nine hundred dollars per radio times 3,500 would be approximately \$3,150,000.

MSA cylinder packs, similar to what firefighters wear, which we're required to be trained in to maintain operations and evacuate the area during a fire emergency, are required for every correctional officer that is assigned to posts and operational areas. This is not the case. For example, if we have four correctional officers working on one unit, we may only in fact have two MSA packs available on that unit. How is anyone supposed to do their job, or even get themselves out safely, without having this equipment made available to them?

As we became aware of this during the fires at Elgin-Middlesex Detention Centre and the Toronto South Detention Centre, correctional officers did not have enough MSA equipment to safely evacuate and to maintain operations. Several officers had to utilize the air pockets by covering their mouths with clothing. Over half a dozen officers were treated for smoke inhalation at both facilities, and this has happened at other facilities in the past as well.

Community escort vehicles and offender transport officer vehicles: We both have vehicles that are used to transport offenders. Correctional officers are often required to conduct emergency medical transports via

ambulance. Due to the lack of space in an ambulance, one or two correctional officers are assigned to follow the ambulance transporting the offender. The community escort vehicles do not have emergency lighting to permit us to keep up with the ambulance. We are requesting a light bar to be utilized during these emergencies.

The offender transport officers are also often stranded in northern Ontario, with little or no other civilians or traffic going by. They are also stranded in inclement weather in medical emergencies, and have no way to identify who they are or what they're trying to do.

We are also requiring mental health training for correctional staff. With facilities closing across the province, there is a significant increase in the number of offenders being incarcerated with mental health issues. We receive little to no training to assist with these offenders. We also require specialized mental health nurses to provide the care for these offenders that they require and deserve.

Also, our mental health: Occupational stress and post-traumatic stress disorder are on the increase for correctional workers. Some 30% have been diagnosed with PTSD, and it is unknown as to how many have not been diagnosed. We have limited resources available to ensure our mental well-being. In facilities in community corrections, we see and deal with the worst of the worst. We require our peer support group and early intervention, including debriefings and follow-up support.

I did put a total, with the body scanners, for the amount that I think would help with some of this. Mind you, I'm not privy to some of the information, so I had to do some research and try to come up with the numbers myself.

That concludes my presentation, and I will hand it over to Chad. Thank you.

Mr. Chad Oldfield: Thank you, Tammy. Tammy has outlined some really good points about our crisis.

Good afternoon, committee. My name is Chad Oldfield. I'm the president of OPSEU Local 234, Maplehurst Correctional Complex and Vanier Centre for Women. I've been a correctional officer for 12 years, active on the local executive since 2011, and president since 2013. I represent nearly 900 members—I don't just represent them; I feel responsible for my members and their safety.

All of our institutions have issues, as you've heard. Let's get to the meat and potatoes, and get down to the brass tacks. We need the body scanners. The best way to communicate to you how badly we need them is to come here and tell you myself.

Currently, the technology that we use in our institutions is metal detectors. There is a contracted company that the government keeps renewing, but this technology is outdated. It's about 25 years old. It's one of our tools.

In my opinion, one of the biggest threats, if not the biggest threat, we face in our institutions today is ceramic weapons. Knives that can be bought at Canadian Tire or any kitchenware store are literally walking through our metal detectors undetected. They never need to be sharpened. They are guaranteed for life. Our jails are full of them.

I could tell you about an inmate who was cut from his ear to his mouth through his cheek. His face was hanging wide open. Or I could also tell you about an inmate who was sent to hospital for 50 staples across his abdomen. But I'm not going to do that. I will instead tell you about a critical incident that happened four weeks ago at Maplehurst.

I was performing my assigned duties when I and two other officers were notified that there was an inmate being assaulted. We responded to the area and found an inmate who had been stabbed five times. He was bleeding profusely from every wound. I heard my partner say, "He has a knife," about the other inmate who had committed the stabbing.

The other officer and I, while restraining the inmate, went down to the ground. We realized the inmate had the ceramic knife tied to his wrist. As my partner struggled to get the knife off his wrist, he managed to do so without getting cut. I then had to drag the inmate out of the doorway area so that the health care nurses could attend to the inmate who was bleeding out on the floor. Once I was able to get handcuffs on the inmate and secure him in another area, we were then able to help the nurses try to stop the bleeding while waiting for the ambulance—

The Chair (Ms. Soo Wong): Mr. Oldfield, can you wrap up your presentation? I have to turn to the government side to ask you some questions. They may have some questions related to your experience.

Mr. Chad Oldfield: Yes, I can. Basically, a body scanner would be an invaluable tool in helping us address the crisis in corrections. It's not that we want one; we need one, and we need one for every institution. We are very fortunate that we haven't had anyone killed yet, but I fear that this will happen; when it does, then we will all have to ask ourselves, "Could we have stopped it?"

Thank you.

The Chair (Ms. Soo Wong): Okay. Mr. Milczyn, do you want to start this round of questioning?

Mr. Peter Z. Milczyn: Mr. Oldfield, I just wanted to offer you, if there was anything else you wanted to say—did you want a little bit more time to complete your statement?

Mr. Chad Oldfield: I think I made all my main points. I got through the middle of it there—oh, okay. I will say that this inmate was very lucky and the staff were very lucky. We handled it professionally. It was only by an eighth of an inch that the inmate didn't have his lung punctured. You know, these details are not nice, but this is what we are dealing with on a daily basis in corrections. The doctor said he was lucky to be alive.

I only wanted to add that if having these body scanners—even one in each institution—could save even one life, that to me is absolutely worth it. That's all I have to say.

Mr. Peter Z. Milczyn: Ms. Carson, Mr. Oldfield, I really want to thank you for your presentations today. There is a lot of very important information you gave us. I also want to thank both of you and all of your colleagues for the incredibly important and dangerous

and difficult job you do day in and day out for us. I know there have been a lot of negotiations going on. They seem to be going very well. There's more work to do. I'll just leave it at that and thank you.

Mr. Chad Oldfield: Thank you.

The Chair (Ms. Soo Wong): Okay. I believe this is the last group of witnesses before lunch. I'm going to recess the committee until 1 p.m.; right, Mr. Clerk? All right. We'll reconvene the committee at 1 p.m. in the same room this afternoon. Thank you.

The committee recessed from 1200 to 1300.

The Vice-Chair (Mr. Peter Z. Milczyn): Good afternoon, everybody. We'll start our pre-budget consultations once again this afternoon. Welcome to this session.

Just for all the presenters present, I'll advise you that there are 15 minutes per presenter: 10 minutes for you to make your comments and then five minutes for questions from one of the caucuses.

FIRSTONTARIO CREDIT UNION

The Vice-Chair (Mr. Peter Z. Milczyn): Our first presenter now will be FirstOntario Credit Union, and questions will be coming from the official opposition for this round. For the record, could you please introduce yourself?

Mr. Kelly Harris: Yes, my name is Kelly Harris. I'm the vice-president, corporate and public affairs, with FirstOntario Credit Union.

The Vice-Chair (Mr. Peter Z. Milczyn): The floor is yours.

Mr. Kelly Harris: A little more about FirstOntario: FirstOntario is the second-largest credit union in Ontario and the fastest-growing credit union in Canada. I would like to begin by thanking the members of the committee and you, Mr. Vice-Chair, for inviting FirstOntario to present here today.

It's not a coincidence that FirstOntario is the fastest-growing credit union in Canada. Aside from our skilled leadership and community-focused strategic plan, we have the good fortune to be based in a true Canadian success story, Hamilton.

Consistently, Hamilton is ranked one of the fastest-growing economies in Ontario and is ranked, year over year, as having one of the lowest unemployment rates in the province. The Conference Board of Canada attributes that in no small part to the diversity of Hamilton's economy. In a Hamilton Spectator article this past August, economic diversity and employment rates were credited largely to Canada's job creators: small and medium-sized businesses. To quote the article, "Small- and medium-sized businesses have been the engine of local job growth, built on a solid foundation of innovation and entrepreneurialism."

As I am sure you have heard me say numerous times, the Canadian Federation of Independent Business's Battle of the Banks survey has ranked credit unions as the preferred lenders to small businesses in Canada, so it

should be no surprise that hand in glove with the success of FirstOntario Credit Union is Hamilton's growth and economic resurgence.

The signs are all around. Just outside this window is the FirstOntario Centre; the Performing Arts Centre in St. Catharines and our school breakfast program, helping to give students a great start to their day, are all examples of giving back and promoting highly livable and healthy communities. The FirstOntario Business Centre on King William Street, open for small business owners to use free of charge, and the work we are doing with the province to help curb the cycle of debt through payday lending are all examples of how FirstOntario is working to improve the lives of our members and potential members in the Hamilton and Niagara region.

These initiatives have helped FirstOntario eclipse \$4 billion in size, and before the end of 2016 we are confident that the credit union will be ranked in the top 10 largest in Canada, all stemming from our roots here in Hamilton—one more Hamilton success story to be proud of.

Just as Hamilton faces challenges in the face of global economic pressures to continue to be successful, so too does FirstOntario. However, our challenges, like those of the credit union system across Ontario, are more locally based.

The province's own growth projections state that Hamilton is expected to grow by 200,000 people within 25 years. That means the economy will need to create and sustain an additional 50,000 good family-supporting jobs.

Creating those jobs takes a few key elements: entrepreneurs, who are key to start and maintain healthy and growing businesses; a sound economy, with sustainable taxation levels at all levels of government that encourage economic growth; and strong financial institutions able to invest in the economy through loans, mortgages and community investments, the kind that FirstOntario does each and every day.

But FirstOntario, like other Ontario credit unions, faces an uphill challenge when finding the capital needed to invest.

We are challenged by out-of-date rules on deposit insurance that have Ontario ranked as the lowest in North America, limiting the amount of protections our members have.

We are challenged by rules preventing credit unions from seeking non-margin income afforded to the biggest of the big banks and limits on our ownership of other businesses to 30% in many instances.

We are challenged by antiquated bylaws and out-of-date legislation that prohibit the province of Ontario's own financial services industry from doing business with Ontario's own institutions, including municipalities, universities, schools and hospitals.

We are challenged by a lack of public recognition that credit unions are the only real and safe alternative to Canada's big banks.

For more than a year, Ms. Albanese has been conducting a review of the credit union system in Ontario.

Soon her recommendations will be announced, and we are confident in the work she and others in the Ministry of Finance have done. But it is imperative that three key changes to credit union legislation in Ontario happen in this budget, and FirstOntario implores you to add them in your pre-budget recommendations.

First, increase deposit insurance on non-registered deposits held in credit unions to a minimum of \$250,000. This will help promote the safety of credit unions by equalling the North American average for deposit insurance. This will help attract more deposits, which can then be turned into job-creating and community-supporting investments.

Second, remove the list and ownership rules for non-margin business. Let our regulators decide if a business is prudent, and let the credit unions continue to do what they do each day: conduct our business in the best interest of our members. This will allow credit unions to increase retained earnings used to grow and attract new members and to invest in communities like Hamilton. This will also help provide the capital needed to help new Canadians settle and start businesses of their own.

In 2014, a Canadian Credit Union Association study found that every dollar of retained earnings that credit unions have to invest is equal to \$10 of lending ability. That means that \$100 million more in retained earnings here in Hamilton would be like \$1 billion available in student loans. It would be like Hamilton economic development hit the Powerball.

Bring in new rules that allow for credit unions to compete for MUSH sector deposits so that tax dollars paid in a community stay in the community through local credit union investment and are not sent out of Canada to the Bahamas, Costa Rica or Boston, as can be done with the banks and the Ontario pension fund, which invest in things like airports overseas.

These three changes will promote greater strength of credit unions and promote economic growth. And the price tag for Ontario taxpayers? Not a single nickel.

So once again I implore you: Promote the strength and growth of Ontario and its communities by supporting the strength and growth of Ontario's credit unions.

Thank you. I look forward to your questions.

The Vice-Chair (Mr. Peter Z. Milczyn): Thank you, Mr. Harris. Mr. Fedeli?

Mr. Victor Fedeli: Thank you for a wonderful presentation, Mr. Harris; we appreciate that today.

You already answered my biggest question, which was going to be: What would the cost of all these three changes be? So do you want to just take one more minute and go over the three of them again, if you don't mind, before I get into my real question? I've got the first two written down, but I never quite finished up on the third one.

Mr. Kelly Harris: The first one, of course, is the increased deposit insurance to equal the North American average of \$250,000.

The second one is to open up the subsidiary list so that we can own and invest in other businesses that create

non-margin income. As you can appreciate, if you're giving a penny and a half on a dollar for deposits and you are charging two cents on a loan, there's not much of a margin to run your businesses and create new businesses, so we look for other opportunities that are afforded to the big banks in things like pension funds as well.

Credit unions don't have a bond rating, because we are not interested in investing on the capital markets and overseas. Our investments happen here in Ontario, and more locally here in Hamilton. Therefore, we can't compete for many of the MUSH sector deposits—municipalities, universities, schools and hospitals—which is inconsistent, because if you think about it, these are four types of businesses that the Ontario government runs in one way or another, and the financial institutions that it manages can't actually get deposits and be their bankers, really.

Mr. Victor Fedeli: So let's talk about some of the things that may or may not be in this upcoming budget, but things that we know are happening in Ontario.

I want to talk about the Ontario registered pension plan program. What can you tell us about that program in terms of the effect on the credit unions?

Mr. Kelly Harris: What I can say is that the position the credit unions took was that we should have an enhanced CPP. We believe that retirement savings—we're a financial institution; we obviously believe that people need to save more for their retirement. It's one of the things that we promote as a service.

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The actual impact, we'll have to see. But right now, again, the position that we have taken is that we would prefer an enhancement to the CPP.

Mr. Victor Fedeli: I was also shocked—you've made presentations here before and I want to ask for an update. It was the one where a credit union can't be used to be involved in a mortgage with a municipality. Can you get into that and tell us if that's been corrected yet?

Mr. Kelly Harris: What that has to do with—that's tax sale properties that you're talking about. As you know, or anyone who has worked in municipal governments knows, sometimes you get a piece of property that comes into your possession because the people can't pay their taxes or whatever else is the issue. You don't really want those on your balance sheet; you're trying to sell them. One of the inconsistencies and one that I talked about—arcane bylaws and out-of-date legislation—is that if you go to a city you have to bring a 20% deposit, and one of the ways is through certified cheques. You can't use a credit union certified cheque to buy a tax sale property.

If you think about places like Iron Bridge in northern Ontario, where there's only a credit union, and the only reason why there is a financial institution is that they begged the credit union to go in after Royal Bank left, can you imagine telling one of your constituents, if you were a mayor in northern Ontario, "Sorry; you have to drive to the next town before you can buy this piece of property"? I don't imagine it would go over very well.

I don't believe that this is the type of legislation the government is interested in either. I just believe that we need to actually go through it. If you take a look at the Credit Unions and Caisses Populaires Act which we're reviewing right now and recommendations are going to be made, hopefully for a rewrite of the piece of legislation, a few things have happened in the world since it was passed in 1994. First off, you had 9/11—that was important for things like FINTRAC and other terrorism legislation; you had the great recession that happened in 2008; and, of course, one other thing that has happened since the credit union legislation was written: the Internet. So we have legislation that predates the Internet in regular usage in our homes and our financial institutions.

The inconsistencies with legislation—I think they go back a long way. I think if you take a look at the full impact of credit union legislation across the province there's a number of instances just like the issue with tax sale properties.

Mr. Victor Fedeli: So the tax sale properties, correcting that: Is there any cost to the taxpayer?

Mr. Kelly Harris: Just what it costs to pass a new law or regulation. So they're already paying for it.

Mr. Victor Fedeli: I agree entirely, by the way. It was almost a rhetorical question.

Is there anything else you'd like to add?

Mr. Kelly Harris: I would just like to say that I appreciate the work the government has done on the review of the legislation. Last year, there were three pieces of legislation that got province-wide public reviews and sought public input. That was the Ontario pension plan, a pretty big piece of legislation for the government; the budget, always a big piece of legislation; and the Credit Unions and Caisses Populaires Act. I think this says how important credit unions are to the Ontario economy, and I think that once we have the recommendations—and, again, we are confident with the work Ms. Albanese has done—the next step to that is to talk about how important credit unions are to the Ontario economy, especially in places like Hamilton and Niagara region. The signs aren't too far away. Like I said, we've got a really big one right next door of signs of what credit unions are doing in these communities. So it's important, I think, not only for us to promote our industry but it's also important for you to promote your financial institutions.

Mr. Victor Fedeli: I thank you very much for the presentation. Congratulations on your new position as vice-president, as well, Kelly.

Mr. Kelly Harris: Thank you very much.

Mr. Victor Fedeli: Thank you.

The Vice-Chair (Mr. Peter Z. Milczyn): Thank you very much.

HOME OF THEIR OWN

The Vice-Chair (Mr. Peter Z. Milczyn): Our next witness is Home of Their Own, if you're here. You'll

have 10 minutes for your presentation and there will be questions from the third party. For the record, could you please identify yourselves?

Ms. Deborah Pfeiffer: My name's Deborah Pfeiffer.

Ms. Moira Hollingsworth: And my name is Moira Hollingsworth.

Ms. Deborah Pfeiffer: There is a third parent who is a part of our group but she wasn't able to attend today due to work commitments.

We would like to thank you for inviting us to present today. We are a parent group called Home of Their Own, which we sometimes refer to as HOTO.

In response to and by a leap of faith in the 2006 ministry document Opportunities and Action, we decided in 2011 to purchase a home for our three sons, who have profound, complex needs requiring 24/7 care. We have done what that document asks by working collaboratively with each other and local agencies, pooling Passport and ODSP funding as well as our own personal resources to help make this dream a reality.

We assume all capital costs for the home and maintenance. We also contribute to the support dollars for our sons to each attend their own individual day program Monday to Friday. To date, we have only been able to secure funding through two local agencies for respite at the house one weekend per month.

In the last six years, in order to try and obtain long-term funding, we have met with DSO; Parents for Community Living; K-W Association for Community Living; Elmira and District Association for Community Living; Families for a Secure Future; MCSS program manager Alayne Langerak; former MPP Elizabeth Witmer; former Ombudsman André Marin; Catherine Fife, MPP; and the Ontario Trillium Foundation. We presented before the LHIN committee. We've shared our story on a CBC radio documentary and with the Waterloo Chronicle. We made a March 2015 proposal to the housing task force and are currently making a March 2016 proposal to the housing task force.

We realized that funding for our model by regional cash-strapped agencies was not a viable solution as funding for parent-created housing like ours comes under the umbrella of MCSS. We also realized that we are not alone in this struggle, and thus in September of 2015 a Facebook page was developed for Home of Their Own to reach out to other parents.

We started to hear from parents province-wide about their struggles to find safe, secure residential supports for their children. We also heard from parents with great ideas for housing models of their own.

On November 21, 2015, we held a symposium for parents only at which HOTO and another parent group from Peterborough presented their housing models. MPP Catherine Fife, who has supported and worked with HOTO from the beginning, was also there to support and encourage parents with whatever her office is able to do for them.

The outcome of this day was that parents were unanimous in their desire for parent-created housing for

their children. Sadly, however, without some form of ministry funding none of their hopes and dreams for their children will become a reality. To date, 14,000-plus individuals sit on the registry for residential support, a registry that leads to nowhere. We as a society, and our elected representatives, have a moral obligation to protect our most vulnerable citizens. Parents are ready and eager to work together with each other and collaborate with agencies and the ministry to help lessen the crisis of an already overburdened registry for residential supports.

HOTO is about choice, about new experiences and about active participation in the community you live in. It's about choosing where, with whom and how you want to live. It's about feeling safe and secure and forming deep, meaningful relationships within. It's knowing that this is home; not so much about the bricks and mortar that make up the house but about the love, respect and dignity inside the house that make it into a home.

Sadly, without some form of funding for models like HOTO and other parent-created models, we will never see our dreams turn into reality, and the registry to nowhere will continue to grow, with no end in sight.

As a result from complaints from families, in November of 2012 an investigation was launched by then-Ombudsman André Marin. Hundreds of families responded to his invitation to contact him, some with very dire and horrific stories. As of July 2015, there have been 1,300 complaints to date. I've submitted documentation for this, as well as the link to read many complaints issued by parents. The report, due out just prior to the provincial election, was delayed twice and never issued. We ask: What has become of that report?

Again, recently in the news we are hearing of families having to resort to drastic measures to find safe, secure housing for their children. I refer to one such incident: the November 17, 2015, Global News piece by Christina Stevens where a young man with autism had to be declared homeless and spend a year in a psychiatric ward before finding safe, secure housing. Again, many parents reached out to this reporter with similar heartbreaking stories.

We acknowledge the creation of the housing task force and the commitment of \$3 million in each of two rounds of funding. However, this will only serve, for a short term, a tiny fraction of the growing number of individuals on the registry. Surely, family-created housing would represent a significant measure of savings to the province and would definitely be cheaper than a long-term hospital stay.

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As an aging population, we parents have faced our own health challenges while still being required to care 24/7 for our adult children with profound complex needs. While applications to the housing task force for demonstration projects are currently being accepted, parents are needing real answers in real time. For us, HOTO is no longer a demonstration project. It has already been demonstrated as a success story of family and agency collaboration in providing a safe, secure and loving home

for our sons while providing them with the same choices we all have: of where, with whom, and how they want to live.

We are asking that a stable funding source be created for family-created housing and to honour the commitment made in the 2012 budget to reduce the number of individuals on the registry, which has only grown since that time.

The Vice-Chair (Mr. Peter Z. Milczyn): Thank you very much. Ms. Fife?

Ms. Catherine Fife: Thank you very much, Deb and Moira, for coming in and also for sharing all the documentation. You have a strong track record here of advocating for your children.

It's frustrating because it has taken so long. You mentioned that this first started with Elizabeth Witmer—you brought the concern to her—and also John Milloy, as I recall.

When you did reach out to Minister Jaczek—this was back in just this past October, through my office—she referenced the \$810 million and then also recommended that you once again apply to the housing task force. Do you want to tell us what happened when you applied to the housing task force, the first—

Ms. Moira Hollingsworth: There were 80 submissions and only 12 were accepted, so clearly there aren't enough funds to satisfy the needs.

Ms. Catherine Fife: And can you just clarify: When you did apply to the housing task force, based on the house that you're currently funding out of your own pockets, what was the rationale as to why your project, which has proven to be successful, was not approved? Did you receive any feedback?

Ms. Moira Hollingsworth: Actually, they said our submission was incomplete, so we didn't get a full evaluation of our submission. That's why we're re-submitting. But we do know that in similar cases, often they'll talk about lack of sustainability. That's one of the key things that will prevent it from being accepted.

Ms. Catherine Fife: So even though you basically followed the government's instructions after they moved out of the group home business and you did this agency/family collaboration and you created this home of their own, and even though it has been operational now—is it four years?

Ms. Moira Hollingsworth: Five.

Ms. Catherine Fife: Five years—your application was deemed incomplete?

Ms. Moira Hollingsworth: Yes.

Ms. Catherine Fife: Okay. So you're reapplying again. Right.

This is a difficult question to ask you, though, because I've met your adult children and I know that you are trying to plan for the future. Looking down the line, when there is no plan right now for children such as yours in the province of Ontario, where do you see your adult children when you can no longer take care of them?

Ms. Deborah Pfeiffer: Well, this has been our plan A, B, C, D. We don't have another option. That's why it's a

dire situation. We're trying to be proactive before there is a crisis. For parents to go into crisis and try and get on what we parents call the wait-list—there are not beds available.

Ms. Catherine Fife: Moira, do you want to add anything?

Ms. Moira Hollingsworth: I was going to say that typically you have to be in a crisis, and even then, agencies have to try and stretch the dollars they already have to provide some placement for your child. I know of one parent whose son lived in a hospital for nine months before being found a place. So it's not the agency's fault; they just don't get any further funding even if they have to provide housing for another person.

We're trying to open up this opportunity for a new vehicle where families create their own housing and provide the capital dollars, and we just need the support costs. That does reduce the costs for the ministry, and eventually we are not going to be in a crisis, suddenly having to find an agency, or the ministry having to find some way for our sons to live, if we suddenly have a crisis, so there's a much harder burden on everybody at that point.

Ms. Catherine Fife: No; I agree. I thank you for including the review, Adults with Developmental Disabilities in Crisis, that was done by MCSS. It cites some of the stories that you've referenced. There's a huge cost to not having a plan and not having a strategy.

I just want to commend you for your leadership. We'll try to make sure, in this budget round, that this government puts a sustainably long-term plan in place to honour their original commitment that they made to parents, like you, for your children. Thank you for being here today.

Ms. Deborah Pfeiffer: Thank you.

Ms. Moira Hollingsworth: Thank you.

The Vice-Chair (Mr. Peter Z. Milczyn): Thank you for your submissions this afternoon.

PREGNANCY AND INFANT LOSS NETWORK

The Vice-Chair (Mr. Peter Z. Milczyn): Our next witnesses are from the Pregnancy and Infant Loss Network. You have 10 minutes to present. If you could identify yourself for the record—and questions will be coming from the government side.

Ms. Wendy Mouldsdales: Thank you very much. My name is Wendy Mouldsdales. I'm a nurse practitioner. I am also a volunteer with the Pregnancy and Infant Loss Network, otherwise known as PAIL Network. I lead their education programming as a volunteer.

PAIL Network is a non-religious registered Canadian charity providing free, peer-led support programs for over 25 years in this province to families who have experienced pregnancy loss or infant death.

We also provide education programs to health care providers and other people who come in contact with bereaved families.

While I have not personally experienced pregnancy loss or infant death, over my 28-year career I have supported hundreds of families through the experience of the death of their baby in the neonatal intensive care unit setting, either through stillbirth or through neonatal death.

My colleagues and I at PAIL Network are truly thankful to the government of Ontario for recognizing the critical importance of Bill 141 and passing it through as rapidly as they did into law. But now we feel that the work truly begins. PAIL Network has already met with representatives from the Ministry of Health to discuss first steps and priorities.

I'd like to speak to you now a little bit about education as that is my role with PAIL Network. We need education to raise public awareness, which the passage of this bill has already done, but we've got more to do. We need to continue to educate health care providers in the many roles they have as they come in contact with bereaved families. We also need to educate our future health care professionals in their core undergraduate and diploma programs.

Here in Ontario, Bill 141 does represent a critical breakthrough for maternal health. Women and their partners and families who experience pregnancy and infant loss are grieving deeply. While the grief may lessen or change over time, it will never end. They will carry that grief forever. They do find support through any means that they can, such as through PAIL Network, but also through social media such as Facebook, online blogs, LinkedIn and chat rooms—just a few examples. Thanks to Bill 141, many more families are aware of PAIL Network now. For example, in the month of December our intake program has gone up by 487%. Those are requests from bereaved families or bereaved women who seek PAIL Network by self-referral. That is a tremendous rise in demand.

To move forward: Just so you are aware, in North America now, Bill 141 does stand alone as unique legislation. We have the eyes and the ears of that North American population. PAIL Network has received requests from all across Canada about how we got to this stage of the process.

We've also heard from two American states, Pennsylvania and Georgia, so we know that we're being watched to see what these next steps become.

Tomorrow, in the esteemed medical journal the *Lancet*, the entire issue will be a follow-up issue to the April 2011 issue, which addressed stillbirth around the world. This issue being released tomorrow will address what they call preventable stillbirths, a way to drastically reduce that number around the world.

Did you know that here in Ontario over 37,000 families have experienced pregnancy loss or infant death in the year 2014, that one in four women will experience pregnancy or infant loss, and that one in five pregnancies end in miscarriage?

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I would suggest to you that that number is far understated, as women may not go to their health care provid-

er. They may not realize they've had a miscarriage, or they may feel that nobody cares or that their body has let them down, and, fearing social judgment and ridicule, or lack of support, they don't say anything.

I believe it's crucial that we make pregnancy and infant loss a priority health care issue, and thanks to the government and their actions of passing Bill 141, we're on our way.

My focus, however, is in educating health care professionals.

Newfoundland and Labrador have even recognized the expertise that Ontario holds. They have nothing to offer their families in their province. They searched for help and found PAIL Network on the Internet and actually organized a grant and paid for two of us to go there in September and have a three-day education program, a one-to-one and five-to-one education session with them, to help them build something in their province. Now we're mentoring them in that process.

I know the difference that evidence-based care can make to these families, because as I've travelled the province and taught over 600 health care professionals in the last 20 months, I see the difference it makes. Unfortunately, I still hear stories that are very sad, such as that of a 35-year-old mother in her hospital room, grieving the stillbirth of her baby, when the nurse walks in and asks, "Why aren't you with your baby?" We want this to stop.

A 30-year-old woman comes into the ER, knowing she is pregnant, and having bleeding and severe abdominal pain. The doctor says to her, somewhat nonchalantly, "You're probably miscarrying. Don't you worry. It happens all the time. We'll send you home with a kit, and you can see your own doctor next week. You can always try again."

Thirdly, a couple arrives at a busy ultrasound clinic to have the third ultrasound during their current pregnancy. The year before, they did experience the loss of their twins at 19 weeks' gestation, after having four years of infertility. This is their subsequent pregnancy now. The ultrasound technician walks in and says to them, "Oh, it's you again. Why do you come so often? There's no need to worry, you know." We want this sort of behaviour to stop.

Whether or not these dear families receive compassionate care should not be the luck of the draw. Even in a major city, in situations where health care is being provided, there are incorrect and hurtful comments made, things that are perhaps well intentioned but do not turn out to be so, such as the things I've already demonstrated to you.

We know, from teaching our programs around the province, that they have made a difference. The health care professionals that we've taught feel better prepared to especially communicate; that's the big thing. People are so nervous and overwhelmed in this situation, they don't know what to say. If they say something, they feel they should say something that has meaning, but often they don't know what to say. Families will remember these remarks, even 30 years on.

Thirdly, I do want to talk about education of our future health care professionals, because time and time again, we hear from people we teach, in all different professions, "This is the first time I've ever heard this."

For example, we taught midwives in Sudbury, at Laurentian University, and they let us know that in their program, they don't have this much depth about pregnancy and infant loss. Now, isn't that ironic and troubling? PAIL Network would like to advocate that these core education programs need a far richer inclusion of these topics of perinatal bereavement and infant death.

Just in closing, I want to speak for a couple of moments about PAIL Network. We have provided support and education around this province for almost 25 years. For all of those years, PAIL Network has struggled to meet its financial requirements, existing from one grant to the next, existing on fundraising events, member donations, and bequests, even, from bereaved families.

PAIL Network is a critical and under-resourced asset in this province. PAIL Network has two paid staff positions to offer support and coordination of services all across Ontario. PAIL Network does not have a physical office. We are a virtual office, and we have a storeroom at a storage facility for all of our materials.

PAIL Network is heavily reliant upon volunteers, such as myself, who above their full-time job travel the province to try to bring education that is evidence-based and will lead to more compassionate care for families—families who are in their very darkest hour of their life.

With a tremendous increase in public awareness thanks to the passage of Bill 141, PAIL Network is now hopeful that we could find a source of permanent funding so that we aren't struggling to move from one grant to the next. We are deeply grateful to the Ontario Trillium Foundation for our current grant, which expires in five months' time. During the time of the grant, we have been able to, for example, expand our free peer-led support groups, which meet either every other week or once a month, from 11 communities in this province to 27. We are trying to have an additional eight or nine before we come to June 2016.

The Vice-Chair (Mr. Peter Z. Milczyn): Could you please wrap up your comments?

Ms. Wendy Mouldsdaile: Thank you. Just one closing thing: A key message I say as I travel the province to teach is that when we know better, we can do better, and I think that is definitely the goal for pregnancy and infant loss care around this province.

The Vice-Chair (Mr. Peter Z. Milczyn): Thank you very much. Ms. Wong has questions for you.

Ms. Soo Wong: Thank you very much for your presentation. As a former registered nurse, I totally agree with your comments and your suggestions to the government.

I just wanted to get some clearer idea from your group, PAIL. I assume that your group has been working very closely with MPP Mike Colle in terms of introducing Bill 141, and you know that we passed that bill with three-party unanimous consent before Christmas.

Ms. Wendy Mouldsdaile: Yes, that's indeed fantastic. Mr. Colle invited us to be a part of that right from the beginning.

Ms. Soo Wong: I'm hearing consistently you talk about education to the health professionals, education to the families and education to future health care providers. So my next question here is: Has your organization reached out to the various professional regulatory bodies? Because you know that standards are not just coming from us a government, right? Wearing my hat as a member of the College of Nurses, they set the standards of practice for the entire province. Has your group reached out to the College of Nurses, the College of Physicians and Surgeons, the college of dentistry—because all of these professional colleges set the standards. So when you talk about future health professionals, they set the standards. Has your group reached out to those groups?

Ms. Wendy Mouldsdaile: Not at this time, we haven't. That's something in our blueprint for 2016. I thank you for making that suggestion.

Ms. Soo Wong: Yes, that has to be a priority.

Ms. Wendy Mouldsdaile: Definitely.

Ms. Soo Wong: Because they're independent of the government, right? We don't set the standards.

My other question here is: Being the province that we are, we are extremely diverse. How does your group, PAIL, reach out to the various diverse communities? Because I come from a very diverse riding called Scarborough—Agincourt, and I'm sure, in my riding, in the Scarborough Hospital, there will be pregnancy and infant loss. How is your group reaching out to the various diverse communities across the province?

Ms. Wendy Mouldsdaile: Thank you. That's an excellent question. When somebody makes a self-referral to PAIL Network, they are identified in their community, and if we are not able to physically have a peer-led support group there, we have email and telephone support.

On the other side of PAIL Network is the education mandate, and as the lead for that, we have developed an eight-hour program of which probably about an hour and a half is focused right in on the cultural diversity of this province. For example, one thing that we point out is that in our aboriginal population in this province, they have four times the infant mortality rate of the rest of the province. We also learn, every time we go to a community and we teach, we hear from the audiences—about 60 generally in each audience—and they share with us some of the different cultural experiences they've had surrounding infant death and bereavement, and then we carry those experiences forward as teaching points.

Ms. Soo Wong: I'm also very curious about your organization, in terms of partnership with other organizations like the bereaved families, because you talk about death and dying and grieving and what have you. Has your group reached out to Bereaved Families of Ontario in terms of doing some partnership with them?

Ms. Wendy Mouldsdaie: Yes, we have. For example, we were partnered with BFO in Ottawa and trying to bring our program there. It is hopefully a program we'll host in 2016. We are also a member of the Bereavement Ontario Network in terms of networking with other groups that are a little less known than BFO.

Ms. Soo Wong: In these last couple of minutes here, am I hearing correctly that your ask is for the continued funding for education? But what in particular is a priority? Because you know there are a lot of asks from every group and constituency here before the committee. What is your priority for the PAIL group in terms of education?

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Ms. Wendy Mouldsdaie: In terms of education, I think what would be most helpful to PAIL Network is if PAIL Network becomes permanently funded, because then the fundraising that we do and the education programs we teach will feed back and support the education program itself.

Ms. Soo Wong: The last question is, what amount are you asking for?

Ms. Wendy Mouldsdaie: I'm not a member of the board of PAIL Network. The board has prepared a full plan that they are presenting in another venue today, actually. Our president, Michelle Lafontaine, is meeting with the Ministry of Finance today, I understand.

Ms. Soo Wong: Thank you.

The Vice-Chair (Mr. Peter Z. Milczyn): Thank you very much for your presentation this afternoon.

Ms. Wendy Mouldsdaie: Thank you.

COUNCIL OF ACADEMIC HOSPITALS OF ONTARIO

The Vice-Chair (Mr. Peter Z. Milczyn): Our next witness is the Council of Academic Hospitals of Ontario. If you could identify yourselves for the record—and your questions will be coming from the official opposition.

Ms. Karen Michell: Thank you. I'm Karen Michell. I'm the executive director of the Council of Academic Hospitals of Ontario. With me today is Frank Naus, who is the vice-president of research at Hamilton Health Sciences, one of two CAHO members here in Hamilton.

CAHO's 24 research hospitals are what the Premier's business adviser Ed Clark recently described as "incredible hospitals" that are "at the forefront of health research." So I wanted to just start today by reflecting on how health care has advanced in our lifetime.

Childhood leukemia is no longer a death sentence. Having tonsils removed or cataracts repaired are now simple outpatient procedures no longer requiring lengthy hospital stays. And just last week, a forearm was transplanted onto a patient here in Ontario for the first time ever in Canada.

These life-changing advances and countless others are made possible by research. All major sectors and industries recognize that investment in research is critically important to ensure that our future is better than our past.

To provide high-quality services efficiently and at the best price, you have to invest in R&D to ensure that your service constantly improves.

These are exactly the challenges that are facing the Ontario health care system today. Research, and health research in particular, is a necessity, not a luxury, even in, and perhaps most importantly in, tough fiscal times. Research creates new knowledge. It provides the evidence to make informed decisions about health care, with better results and often at less cost.

All of us in health care are committed to providing the best care for our patients, putting them first, but research hospitals have the additional responsibility and privilege of discovering tomorrow's care and applying it for our patients today. Doing this helps make Ontario healthier, wealthier and smarter. Let me tell you how.

Because of the power of scientific discovery under way right here in Ontario, we're soon going to live in a world where a virus is used to cure cancer, where surgery no longer means cutting the skin, and where genetic testing is used to ensure the best response to a medication. There are many health research developments that are dramatically changing health care today, delivering better care to our patients at less cost for the system.

One example: The Ottawa Hospital recently developed a clinical decision tool that fully detects 100% of bleeding on the brain, or subarachnoid hemorrhage cases. Doctors can now accelerate the urgent treatment needed by patients, prevent a common misdiagnosis that causes death and disability, protect hundreds of lives a year, and save the economy \$25 million annually that results from death and disability.

But to realize the value from discovery and innovation, we need to make sure that we actually use it, moving research evidence into clinical practice. So CAHO's Adopting Research to Improve Care program, or ARTIC, was created to do just that. The provincial government has invested in ARTIC over the years to address key health system challenges like enabling the transition of long-term mental health clients from hospital into the community, and combatting resistance to antibiotics.

The ARTIC program essentially facilitates change management in clinical health care so that we can use research evidence to provide our best knowledge to care for our patients now. It means that we can get that research evidence out into the health care system in two years instead of the 17 years it would normally take without facilitated change management. Clearly, a generation is far too long to wait to ensure that our patients are getting the best knowledge and the best care, so CAHO and Health Quality Ontario have now partnered to deliver this ARTIC program right across the health care sector in Ontario, beyond hospitals; to family health teams, LHINs, long-term-care homes etc. But innovation like this doesn't just happen. It needs investment. Right now, CAHO hospitals generate research revenues and spend \$1.4 billion annually on health research. We have more than 16,000 researchers and research staff in our hospi-

tals, and over 41,000 jobs, total, are supported by the R&D enterprise in our research hospitals.

Ontario's health research enterprise is actually also a magnet for investment: 14% of this research revenue is funded by private industry. That's more than twice the OECD average for business investment in higher education R&D. So relative to other sectors, Ontario research hospitals punch well above our weight in terms of our ability to attract private investment.

Health research can also transform an entire economy. Let's look at Hamilton. Like many manufacturing towns in Ontario, Hamilton had a booming economy dependent on the steel industry, but when the downturn hit, Hamilton needed to diversify its economic base, and that's where investment in health research came in. Today, the health sciences and research sector is Hamilton's largest employer. Frank's employer, Hamilton Health Sciences, is in fact the single biggest employer in this city, and St. Joseph's is not far behind. By providing high-level jobs in research, they're strengthening Hamilton's knowledge-based economy and attracting investment. For example, there are 300 life sciences businesses now operating in the Hamilton area, which is a 12% increase in the last three years alone. The innovation park at McMaster University is specifically designed to help researchers commercialize their products and their discoveries.

The success in health research has also led to the growth of Hamilton's educational institutes and in fact encouraged young people to build their careers here. According to Hamilton's mayor, Fred Eisenberger, "The health research sector has paved the way for future growth and a diversified economy."

So the return on investment in health research is real and measurable. The challenge is the sustainability of the investment.

Two trends are of major concern to us. First, many health research granting agencies and health charities that fund our research are reducing their level of research dollars. Second, many granting agencies are implementing co-funding research models that require cash matches from our hospitals for direct research funding. So while hospital foundations and their investment from their income are working hard to fill that gap, these sources of funding are quite challenging to maintain. That means that Ontario's research hospitals are increasingly required to contribute more to the cost of running a research enterprise, while receiving less investment. Of course, in any business, that's not a sustainable model.

CAHO offers four recommendations as to how we can sustain and stabilize Ontario's health research enterprise, or what we think of as the R&D arm for our health care system:

(1) We need to continue to drive discovery by maintaining the Ontario Research Fund, which is Ontario's flagship R&D investment program. We would like to thank the government for the ongoing support through this important program.

(2) We think it's time to approach health research purposefully by mandating the creation of a health

research strategy for Ontario. This would help us to make the best use of the health research assets that we have in this province.

(3) We need to invest in the implementation of research evidence, using what we know to transform health care across the province. The Adopting Research to Improve Care, or ARTIC, program is a proven pathway to do just this, but to maintain its impact, we need annual funding of \$3 million a year.

(4) Frankly, the most important thing we can do to maintain the health research enterprise is to ensure that hospitals themselves are financially healthy. We do support the case that's being made by our colleagues at the Ontario Hospital Association in support of an inflationary funding increase for hospitals in the 2016 Ontario budget, as the system itself is going through intense transformation right now.

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Research hospitals create capacity, reinvent the future of health care and we generate a healthier, wealthier and smarter Ontario, both now and in the future.

Thank you for the opportunity to comment, and we would welcome your questions.

The Chair (Ms. Soo Wong): I'm going to turn to Mr. Barrett to start this round of questioning. Mr. Barrett?

Mr. Toby Barrett: Yes. Thank you, Chair, and thank you for the information.

With your recommendations, you talk about mandating the creation of a health research strategy for Ontario. I know in my previous work, I was with the Addiction Research Foundation. During the Bill Davis era there was a move at that time to create health research Ontario—addictions, cancer, heart. Beyond a strategy, it was to be an organization to try and pull together—talking about funding—university research funding grants, levels of government funding and others.

Could you tell us a little bit more about what you see in this strategy and who do you see—are you developing the strategy, or are you looking to government to develop a strategy?

Ms. Karen Michell: Yes, I would be glad to kick off and then maybe Frank can join in in terms of the value it would create.

Other jurisdictions like Alberta, British Columbia and the UK that have created health research strategies find that it's valuable to bring a large group together. It would include government for sure—government championship is important; it would also include universities, colleges, research hospitals, industry, patients and health charities.

When you all come together to define a strategy for health research for a jurisdiction, we tend to find that three things happen. First, it becomes important. With government championship and a sector working together, it is a declaration that as a society we believe that health research will help our future be better than our past, help our health care system be more efficient and help get the outcomes we want for patients. Together, you're able to start creating not necessarily a focus on disease burden

per se, but platforms that allow research to happen in a sustainable and efficient manner.

Second, we find that when people come together in that way around a strategy that's made important, you start to find ways to collaborate better together, and so you get better synergies in the sector.

Third—and I think the UK is a great example of this—you tend to find that you are able to generate more research revenues from outside of your jurisdiction. So BC, for example, had a health research strategy, and they started winning more grants from the Canadian Institutes of Health Research. The UK, after they put their strategy together, started getting exponentially more investment from industry. It's something that we can do together that's no net new cost, but better organization and better strategy.

Frank, is there anything you would add to that?

Mr. Frank Naus: Yes, I would certainly support those comments.

I think that at any time when you get people working together, you get a much clearer focus on what the issues are and a prioritization of what those issues are. That's really what I think a strategy would contribute. In the end, you end up spending dollars much more efficiently.

Mr. Toby Barrett: Now, just going to the dollars, point number (4), and certainly the Ontario Hospital Association's call to restore inflationary funding: We know hospital budgets have been frozen for the last four years, and that affects about 155 hospitals across the province. This freeze is, as I understand it, explained under the term "activity-based funding." But the focus you're talking about isn't necessarily activity-based; it's not so much emergency room visits or filling beds.

With our organization, we had what was called the clinical institute at 33 Russell Street—it closed—a small hospital, dependent within the global budget, but sometimes it's very difficult to explain to people—you make mention of social media—the value of research. How are you being impacted by this term "activity-based funding"? Does that apply to your work?

Ms. Karen Michell: It does. Like our colleagues at the Ontario Hospital Association, we do support the efforts to work with the government on health system funding reform. We do realize that there are finite resources in the province and we need to be thoughtful and deliberate about how we allocate those resources.

Health system funding reform is only a couple of years old, and activity-based funding is a part of it. We are still, as a sector, working with the government to unpack what the consequences of it are.

I will say that there are some unique impacts for research hospitals in particular. As I said earlier, we have a different mandate in that not only do we provide care; we provide specialized care, teaching and research. Those parts of our mission and our mandate do have costs associated with them. Some of those costs are currently addressed through the health system funding reform model. We are going through some case studies right now to demonstrate where they may not be fully

addressed. For example, extreme amounts of specialization in a hospital are probably underfunded because the activity-based model is on the basis of expected volumes. We can't turn down any trauma cases, burns or transplants that walk in our door. Equally, the fact that we offer teaching and research does have some additional costs. We're working with the government right now to ensure that those are fully funded, but it's a challenge and we're working through it together.

The Chair (Ms. Soo Wong): I think Mr. Fedeli has a question for you.

Mr. Victor Fedeli: It was more a comment than anything. I fully support your research. I watched in the gallery in the hospital in North Bay when a patient was lying in the hospital with her stomach open, and the surgeon was here in Hamilton with robotic tools, performing the surgery in North Bay.

When you can apply that kind of research—I think of the remote communities and First Nations communities where the doctor may not be present, but this ability is there. We just have to continue to support these kinds of endeavours. I congratulate you.

Ms. Karen Michell: Thank you very much. I think we do consider it part of our mandate as research hospitals to create capacity for the whole health care system: for all patients, not just our own, and also for not only the patients of today but of tomorrow as well. We think it's an important mandate. We take it seriously, and we're working hard to find ways to sustain and stabilize it.

The Chair (Ms. Soo Wong): Thank you very much. Thank you for your presentation and your written submission.

HAMILTON AND DISTRICT LABOUR COUNCIL

The Chair (Ms. Soo Wong): The next group coming before us is the Hamilton and District Labour Council. Good afternoon. Are you Mr. Marco?

Mr. Anthony Marco: Yes.

The Chair (Ms. Soo Wong): Welcome. As you've probably heard, you have 10 minutes for your presentation, followed by five minutes of questioning. I believe the Clerk is coming around with your written submission. This round of questioning will be coming from the official third party.

You may begin any time. Please identify yourself for the purposes of Hansard.

Mr. Anthony Marco: My name is Anthony Marco. I'm president of the Hamilton and District Labour Council.

In addition to my comments, you also have a short package from the local chapter of the Congress of Union Retirees of Canada, CURC. They did not get a slot here today to present, but I've included some of their comments as well.

I'd like to begin by thanking you for the opportunity to speak with you here today, and for bringing the first of your on-the-road consultations to Hamilton. Hamilton

has had a labour council since 1863. We currently have over 75 affiliates, representing over 40,000 unionized workers in the area, and I've been proud to be their president since 2014.

I was born in this city and have lived here for 47 years. This is a city that has undergone tremendous upheaval during the boom-and-bust times of our economy. The people who live here are proud, hard-working and ready for positive change. We are one of the longest-enduring manufacturing centres in this province.

Manufacturing and industrial jobs have traditionally been good jobs, well-paying jobs and, most of the time—for a long time—careers: jobs that allowed one parent to work full-time while another raised a family, while still buying a house and two cars and having benefits and a pension. It seems like a far-out notion now, but it was well within my lifetime that this was still the case. It was a time when corporate taxation treated large corporations like citizens, in that they were expected to turn over a reasonable amount of profits to the province and country that was the cause of their very existence, and not the pittance that they pay today. I dare say that if we are going to treat corporations as individuals under the law, perhaps they should at least be taxed the same as individuals under the law, without the laundry list of loopholes to skate through.

As our Canadian and Ontarian jobs disappeared south through NAFTA, or overseas due to multinationals buying up our companies, Hamilton struggled to turn one-job/one-income families into two-job/two-income families, and some of those still didn't get families out of poverty. Now parents try to stretch to five- or six-job/two-income families, or three-job/one-income families.

Since I mentioned NAFTA, I would just add as a side note that I would please ask this Parliament to take a hard look at the TPP, especially how it's going to impact Toronto and Hamilton and our municipalities in Ontario, before ratifying it.

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Our children are suffering, our city is suffering and Ontario is suffering. Hamilton's children are suffering because the child care fee subsidy program currently has a wait-list of over 1,700 children, an increase of over 50% since 2011. The provincial funding is almost solely earmarked for families living on incomes below the poverty line, and only has enough money for just under half of Hamilton's children living in poverty. That's 1,700 children in a city of just over 500,000 people who are not just living in poverty; they're not even being helped when living in poverty. They are 1,700 names on a list which can conveniently become a statistic but can't conveniently get breakfast every morning or have heat in the winter.

Provincial and municipal investment in a universal child care program for all young children would reduce child care costs for all parents and allow more parents to work. For parents to work, we have to have jobs where parents can afford to provide for their families while still spending time with them.

Our city is suffering because we have some of the highest poverty rates among urban areas in the province. Other cities might look at our unemployment rate of 5.9% and be envious, but it's a fallacy to believe that an unemployment number gives anything close to a complete picture of the jobs in this city. That 5.9% fails to capture all those who have given up looking for work at all or are underemployed and only able to find part-time work. The last long-form census data from 2006 revealed that over 10,000 Hamilton residents who worked full-time all year long still made wages so low that they were below the poverty line.

Apart from the economic impact, low wages increase the likelihood of physical and mental health issues among these workers. Living Wage Hamilton, which I know is present across the province and across Canada—living wage movements—calculated that a wage of \$14.95, including benefits, for a 37.5-hour workweek is necessary for a minimally decent standard of living in the city, and even this number was calculated a few years ago. Quite simply, working full-time hours in Ontario should ensure not having to live in poverty.

One of the surprises that I've found in my role as president of the labour council is that I've been invited to attend a couple of the round table stakeholder discussions for the Metrolinx Lakeshore West corridor, and when I attend those meetings, the thing that infuriates me is that we seem to have bought into the notion that Hamilton is simply a commuter city for Toronto. During the last provincial election, the Leader of the Opposition lamented the state of transportation throughout the Niagara-Hamilton corridor, as parents had to spend too much time commuting and miss out on family time with their children. The solution to commuter problems into Toronto should be to help ensure that more jobs are available in locations where workers don't have to commute two hours every morning.

The other confusing aspect of the Metrolinx project is that I've been shut out of access to the procurement policies twice now. Surely we have to have ways to ensure that if we are going to have light rail transit in Hamilton, the jobs are done by Hamiltonians. We must have assurances that the contractors and subcontractors will be mandated to pay their employees a living wage so that the people who have to take the GO bus or train to get to work can afford to pay the fare for the track they are laying. I hope this government will make assurances that infrastructure is not spending just to build for Ontarians, but to make sure the building is done by Ontarians.

Fifty-seven per cent of Hamilton's workers are in insecure employment, with less access to benefits and pensions. We applaud the efforts of this government to start down the road of an Ontario pension plan, and hope that the effort to convince the federal government to apply an increased CPP to the entire country hasn't been moved too far to the back burner. You see, we've found out that the promise of pensions and retirement benefits doesn't mean a lot to tens of thousands of our retirees

whose lives are at the whim of a bankruptcy judge in Toronto as we speak. We're not allowed to see a contract signed between the Harper Conservatives and US Steel when it walked in with promises to keep the former Stelco Hilton works alive. The only contracts that our steelworkers can see are the ones they voted for where, in lieu of salary increases decades ago, they chose retirement benefits, only to have them stripped away years and sometimes decades after their retirement date. While it was admirable for this government to recognize the problem of these pensioners with a one-time funding supply, it's not going to solve the real problem of close to 20,000 Hamiltonians and their families who cannot afford medications or treatment for chronic conditions or anything else past an arbitrary cut-off date. The first payee during a bankruptcy of a company located in Ontario needs to be their employees, past and present, who signed contracts and worked their end of the agreements.

An Ontario pension plan helps in this case, but even under the dream scenario of restored retiree benefits, the state of our health care system is desperate. There will be people far better prepared than me to give you statistics about the growing gaps in our health care system. Suffice to say that when the measure of health care becomes more about the health of for-profit providers than the health of Ontarians, we have a problem.

The last thing I'd like to address as near to my heart is that the only way that I've arranged to be able to be here and talk to you today is that I've rescheduled some classes, because my day job is as a high school teacher here in Hamilton, and I happen to work in a correctional facility not far from here for the Hamilton-Wentworth District School Board. I've been involved with OSSTF here locally. Education matters are near and dear to my heart and I think about them on a daily basis. While I could spend a lot of time on the subject, I will try to be concise, with one major issue.

When Dalton McGuinty was first elected, he promised a wholesale reform of the funding formula for education in this province, and through ministers Gerard Kennedy, now-Premier Wynne, Laurel Broten and Liz Sandals, it hasn't happened—this during a time when countless ribbons have been cut over special projects and there have been announcements of one-time funding for education fads that come and go. One school gets an animation lab, and another school gets closed. One school gets iPad funding, and another one gets closed.

The Hamilton-Wentworth District School Board announced dates for seven of 18 secondary school closings over the next few years, with plans to only open two new schools, while still trying, and being mandated, to serve an entire city. Coterminous boards have the flexibility to play looser with their locations. The public board has to carry the geographic load of this entire city.

The answer to the problems and inequities in our education system can't all be solved by more funding, but here's the thing: A lot of them can. And the funding can't be one-time special projects that involve photo

ops—but the unglamorous, sustainable increase of a funding formula that will likely generate little more than one graph in the province's newspapers.

I cringe when I hear talk about "achievement as a measurable" and "credits as currency" and standardized tests as anything resembling education, but you could have all of it if I get to spend more time with each student in my class because I have a class size of 25 instead of 33.

Maybe allow some of the school boards to use their funding for something even more obvious, like hiring more custodians to keep our schools clean and safe for students. Maybe require that all new schools built are guaranteed to be community hubs, by having dedicated spaces for community groups to access at no charge. Or maybe ensure that there's no chance—and this has happened to me—that I can walk into a school library and find a text called *The World War*.

Ontarians deserve better than austerity. The Ontario we want, and the Ontario we need from members on both sides of the aisle, is one that's investing in the wealth of Ontario's working class and not just a ruling class whose money hibernates outside of our borders.

I thank you for letting me perhaps rant a little bit, and I will answer any questions that you have.

The Chair (Ms. Soo Wong): Your time is up, Mr. Marco. I'm going to turn to Ms. Fife.

Ms. Fife, do you want to begin this round of questioning?

Ms. Catherine Fife: You gave us a very passionate presentation, Mr. Marco, so thank you for that. The two major themes, as I see it, that you presented have been consistent throughout the morning, and that is around sustainable funding for public services, be it health care and education—and I agree. When you make the point that we deserve better than austerity—all the evidence and research shows that when you are experiencing financial crisis, cutting those two public services causes a lot of damage.

I understand there was a rally out front. Do you want to give us some sense as to what those folks were saying out there?

Mr. Anthony Marco: Sure. Thanks to those of you who managed to pop out earlier in the morning.

It was a very cold morning, yet we still managed to get between 100 and 125 Hamiltonians out in front of the Sheraton down here. It was a joint rally between the Hamilton Health Coalition, which is an offshoot of the Ontario Health Coalition, and the Ontario Federation of Labour, where we represent them as a labour council here in Hamilton.

A lot of the Hamilton Health Coalition's focus, of course, was on many of the hospital closures that have been happening. Not only that; just over the past couple of weeks you've seen the amount of cuts that have happened in nursing jobs. It seems to be hacking and slashing all over. That's not to say that people don't understand there are monetary concerns, but people are definitely concerned that there are service concerns now

that have been stretched across the city and across Ontario.

From a labour perspective, as I mentioned in my remarks, many of you can understand the devastating hit that we're dealing with right now with the retirees of what was once our biggest union here in Hamilton, and one of the biggest in the province. Local 1005 used to have close to 15,000 workers, and they're down to 500.

Understandably, corporations come and corporations go, and I don't want to get into too much of the details around that aspect of it. But the fact that the retiree benefits were swept away with the stroke of a pen by a bankruptcy judge, sometimes decades after they bargained in good faith and lived up to in good faith—that's something that needs to be helped.

There were a lot of different issues that were brought up out there. I think it was a testament, on a day like today—because it got windy out there—to the dedication of some of the people who were concerned about some of these issues, to being out there.

Ms. Catherine Fife: I thank you for raising the issue of the pensions for steelworkers. As you know, our member Paul Miller has been very supportive. I actually happened to be here the day that the news came down of the court ruling.

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We've raised this issue of protecting pensions that have already been agreed upon in the province of Ontario. The finance minister has stood up and said, "We are supportive of those steelworkers." The federal government seems to have just turned a blind eye. What's the specific ask provincially for steelworkers—retired steelworkers, if you will? Is there any recourse? Do you have any hope of justice and reclaiming those pension rights that were signed off by the employer and employees?

Mr. Anthony Marco: Sure. I'll be the first to say that one of the steelworker leaders could probably speak to it far better than I would, but I know that one of their major concerns right now is the fact that when the bankruptcy judge got a hold of the case that US Steel Canada was closing down, what US Steel Canada tried to do is claim, "All of our money remaining should go to our biggest creditor," which happens to be US Steel from the United States. They basically came in here, took all of the resources, took all of the customer base, stripped the place dry and said, "Now we owe hundreds of millions of dollars to our own parent company."

We have tens of thousands of workers here and we need legislation in place, we need guarantees in place, which would require that the first payees during a bankruptcy case are the people who live in cities like Hamilton, like London, like Ottawa, like Toronto who have worked their entire lives and need benefits—that at the time of their lives when they need benefits the most, they don't just get swept away. The number one creditor needs to be current and former employees. If there's money left after that, by all means it can probably go out of the country because that's where it seems like a lot of the money is going right now.

Ms. Catherine Fife: Thank you for that. You don't often see steelworkers cry, but on that day—really, it's legislated theft if you leave the door open for a corporation to play that kind of aggressive role in the rights of workers. That's essentially what it was.

Finally, I just want to thank you for raising the issue of education funding. If you actually are going to address the issue of poverty, public education is the great equalizer. I want to thank you for reminding us that a full review of the funding formula has not happened. We are hearing more and more about this as the years proceed, if you will. Even this morning we heard from an organization that is seeing children with autism excluded from schools because there just are not the resources to keep students safe and to keep staff safe, and that is completely unacceptable.

Thank you very much for your presentation.

The Chair (Ms. Soo Wong): Thank you, Mr. Marco, and thank you for your written submission.

Mr. Anthony Marco: Thank you.

ALUS CANADA

The Chair (Ms. Soo Wong): The next group before us is ALUS Canada. I believe it's Bryan Gilvesy. Good afternoon, sir. I think the Clerk is coming around with your presentation. You probably heard earlier that you have 10 minutes for your presentation, followed by five minutes of questioning from, this time around, the government side. You may begin any time, sir, and please identify yourself for the purposes of Hansard.

Mr. Bryan Gilvesy: My name is Bryan Gilvesy. By day I'm a farmer. I operate the YU Ranch in Norfolk county. We've been raising grass-fed beef there and selling it by the piece to our local customers. A significant part of the reason that we've become known for sustainable beef production is because I got involved with a program 10 years ago called ALUS. The acronym stands for Alternative Land Use Services. I'm now executive director of that program 10 years later, which exists with about \$12 million of funding across the country, so we've had some success.

We positioned this organization as a community-led, farmer-delivered program which positions farmers to provide environmental solutions. I don't think the agricultural community and rural Canada are largely considered part of environmental solutions. I think that for too long we've considered all environments to occur inside protected spaces. We think there's a tremendous amount of environmental benefit to be harvested from what we call the working landscape, where the farmers and ranchers of Canada, and indeed Ontario, can apply their skills to environmental goals.

We're faced with a raft of environmental problems. Indeed, both the Prime Minister and the Premier have made considerable effort to make climate change a significant part of the program going forward. We're here to help solve those problems, together with problems of climate resilience, stormwater management, biodiversity and species at risk.

What's cool about our project is that we like to demonstrate that we do things in a little bit of a better way. We'll take your carbon dollars and take an uneconomic or marginal piece of farmland, using the farmer's skills and knowledge and maintenance to be able to restore that farmland to something that will not only help us sink carbon but will help us store and filter water, create more biodiversity and indeed do more for species at risk.

Our tagline is that we're sustaining agriculture, wildlife and natural spaces for all Canadians. We are a community-led, farmer-delivered stewardship program that engages Ontario's rural communities to create more acres of conservation lands.

Currently, ALUS Ontario is at six communities, and we're steaming towards nine in 2017. We have 190 farmers participating by actively maintaining and creating acreages of natural spaces. The inventory that we've created so far is 1,805 acres, on a rather limited budget in our growth scale.

The Ontario investment to date has been \$300,000 through the Ministry of Natural Resources' SAR program funding. While this funding is truly appreciated, it is only a pittance of the \$1.2 million we raise on top of that from philanthropic and private dollars to invest in the environment of Ontario.

That's our promise: that we are building a model that engages rural communities and engages with new sources of funding for environmental things here in Ontario. We aim to reach out to corporate Canada, philanthropic Canada and, indeed, governments to deliver more clean air, more clean water, more biodiversity and more for species at risk. We do indeed have applicability to all the current environmental issues of the day.

My main goal in arriving here today was to make sure that the \$300,000 that was earmarked for us through the MNRF this year occurs, but I also want to give consideration to the MOE and OMAFRA, and indeed the Ministry of Infrastructure. What we offer is solutions for all of their files when they're talking about issues of climate change, resilience and adaptation.

That's all I have for my formal presentation.

The Chair (Ms. Soo Wong): Thank you very much. Ms. Vernile, do you want to start this round of questioning?

Ms. Daiene Vernile: Thank you very much, Mr. Gilvesy, for coming here today, appearing before us, sharing this very interesting information with us and telling us about the very important work that you are performing.

I think that you are right that when you say the word "farmer," most people don't associate it with or attach it to environmental solutions, so it's curious to hear that you are involved in this work. When you approach farmers and let them know that you're interested in getting them to help you in creating natural spaces on their land, how do they react?

Mr. Bryan Gilvesy: We do it the other way around. We let farmers approach us. Our program is not based on

rules or a top-down system; it's based on principles. When we arrive in a new community—we started in Norfolk, but when we arrived in Grey and Bruce counties, for instance—we ask them to form a community council, which is a broad-based membership including farmers, conservationists and municipal leaders. We want them all at the table.

We then hand them two things: a set of principles and money. We ask them to give us acres of conservation back, as long as they follow those two guidelines, and then they voluntarily enlist the agricultural community. It's very, very much a grassroots program, and that manifests itself in the fact that we run workshop after workshop to try to draft new farmers into our program. They always come in the door through word of mouth because their neighbour had good luck or some success with the program.

Ms. Daiene Vernile: Does it take much convincing on your part?

Mr. Bryan Gilvesy: No. I'd like to say that what we've done is not magic; it just seems like magic. What we've done is a very human thing. We've given people a pat on the back and, indeed, a little bit of cash every year for the work that they're doing. Conservation isn't just a question of putting fences around things; conservation is a very human activity because there's maintenance involved.

I sit on the minister's Species at Risk Program Advisory Committee, and the other day we got into sticky issues around the biology of species at risk and all those things—how we have to increase the numbers of species. I said that the most endangered thing in Ontario for species at risk is the people on the land who are willing to help those species. We've created conditions where they can come in freely and voluntarily to help those species and then get some validation going forward, for their lives and their communities, that they're truly contributors. It's an interesting point that I sometimes think rural Ontario is feeling sidelined because they're not part of the popular debate. This is the way to plug them back in.

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Ms. Daiene Vernile: So ALUS—and I like the name, by the way. A few years ago, I had a dog named Alice.

Mr. Bryan Gilvesy: Thank you.

Ms. Daiene Vernile: You were the recipient of an Ontario Trillium grant in 2011-12, \$430,900 over three years.

Mr. Bryan Gilvesy: Yes.

Ms. Daiene Vernile: Tell me how you've used that money.

Mr. Bryan Gilvesy: That money was used to seed the growth in three new communities, to set up pilot projects in three new communities. That helped us establish the initial councils. It helped us establish some initial operations. Then, married together with money that we raised from the Weston foundation and others, we were able to get some programming, some acreage on the ground.

That funding is now in our rear-view mirror. We're going forward with a new tranche of funding. We're on a

three-year cycle where we've got significant new monies from the W. Garfield Weston Foundation, for instance. We have some investment from the government of Canada on the wetland fund and others. We have 46 different funding partners, if you can imagine.

So the Trillium money was very, very well used—a very effective use of money, I felt, to seed the growth of something that's good.

Ms. Daiene Vernile: Now that we have a different partner federally, how do you think that that's going to affect your group?

Mr. Bryan Gilvesy: I like to think that our program should have appeal for politicians of any stripe, and I'll stand by that. I don't think there's any politician in Canada or any party that doesn't care about the environmental issues of the day and certainly wants to be better engaged with rural Canada.

Ms. Daiene Vernile: In 2013, ALUS received an environmental award of excellence from the Minister of the Environment. Congratulations on that.

Mr. Bryan Gilvesy: Thank you.

Ms. Daiene Vernile: Just as a final note, your ask here today is that you are looking for funds to continue flowing that were committed to you.

Mr. Bryan Gilvesy: That's right. Then, of course, hopefully I'll be back next year and we can talk about more. But for now, that money is still in the balance. There are still decisions being made on it, so I wanted to first—let's walk before we can run.

Ms. Daiene Vernile: Thank you very much for your wonderful presentation today and for being here.

The Chair (Ms. Soo Wong): Thank you very much for your presentation, sir, and also your written submission.

Mr. Bryan Gilvesy: Thank you.

ONTARIO GRADUATE STUDENTS' ALLIANCE

The Chair (Ms. Soo Wong): Our next presenter is the Ontario Graduate Students' Alliance, and I believe they are here.

Good afternoon. I don't know who is who, so you will have to introduce yourselves, gentlemen, for the purposes of Hansard, because there are two names here. I don't want to get who-is-who wrong.

Mr. Michael Makahnouk: No, and I know it's for the public record.

The Chair (Ms. Soo Wong): Can you make sure that when you introduce yourself, you identify your position with the alliance? Also, you have 10 minutes for your presentation followed by five minutes of questioning. This round of questioning will be coming from the official opposition party. Welcome.

Mr. Michael Makahnouk: Absolutely. Good afternoon, everyone. My name is Michael Makahnouk. I'm the president of the Ontario Graduate Students' Alliance, and I'm a PhD student at the University of Waterloo.

Mr. Christopher Hyde: My name is Christopher Hyde. I am the executive director for the Ontario Graduate Students' Alliance. I've done two MAS, but I'm the full-time support for them.

Mr. Michael Makahnouk: Before I get into our presentation today, I want to take just 30 seconds to really highlight to you guys—MPP Baker recently tabled a private member's bill in the Legislature, Bill 127, the Pathways to Post-secondary Excellence Act. We, as the OGSA, support this. It was obviously said in the House that we, along with our other student colleagues, support this. It's the one time where students broadly, collectively and unanimously support a piece of legislation. I want to encourage members of this committee to go back to your parliamentary colleagues and see that this bill actually make it to royal assent. We realize that it's in the legislative process. We want to see it get into law. We want to see these amendments made because it's going to help students get information that is pertinent to understanding what education you want to pursue. We acknowledge that it is an outcomes-based ask, and we want to see that this data gets into the hands of students and parents. Thank you very much.

Now, jumping into our presentation: The OGSA is a relatively new organization. We represent roughly 20,000 graduate students in this province—I'd say an easy estimate would be about 30% of the total population of grad students. We fundamentally believe that if Ontario is going to transition to a research and innovation economy, graduate students will be at the forefront. We are here to acknowledge that we are currently falling behind our undergraduate counterparts with respect to funding, and our asks are going to be tied towards that.

Before I begin, I should note that the OGSA is well aware of the economic challenges faced by Ontario today, and we are appreciative of the substantial investments made by the province to increase post-secondary attainment over the previous decade. However, we are concerned that Ontario graduate students are falling behind their undergraduate counterparts.

While graduate students are enriched and benefit immensely from this system, they also contribute more than their fair share to the post-secondary system. They make up one of the largest workforces in the post-secondary education system, often employed as technicians, lab supervisors, researchers, teachers and instructors. In the face of tighter budgets at universities, more schools can comfortably turn to graduate students to pick up the extra amount of work that's needed to maintain a budget balance.

To be completely clear with the committee here today, when we talk about the 55,000 graduate students here in Ontario, we're not just talking about the students who receive a comfortable research scholarship from an institution or provincial or federal granting agencies or private partners. More and more often, we are talking about those students who pursue that higher level of advanced education often on their own dime.

We fundamentally believe that it is the entire system of graduate students—well-funded, research-intensive

students and highly skilled MBAs, MDs and MAs—who will be vital to our growing economy moving forward.

Yet despite their great contribution to the system, in many ways graduate students are an afterthought. We pay the highest tuition fees in the country, we are the largest workforces on campus, and we receive the smallest portion of the pie, so to speak.

Students are carrying substantial debt loads, accumulated during their undergraduate studies. By sheer numbers, the financial aid system in Ontario naturally favours undergraduate education. Recently, the 30% Off Ontario Tuition Grant has not been made available to graduate students, yet the funding for this grant was based upon the elimination of several grants that actually were accessible by grad students.

With that, I'm going to turn it over to my colleague.

Mr. Christopher Hyde: One of the first things that we want to talk about with the committee is a bit of a broad, comprehensive picture when looking at graduate students. Our message is pretty simple: When we're looking at graduate studies in the province of Ontario, really begin to take a close look and examine what that means. As my colleague alluded to, it's not just a few students who are well funded by the universities or the tri-agencies federally; it's the growing number of students who are paying those high tuition bills and are using it to acquire those advanced skills that we think are going to be incredibly important to the Ontario economy.

Secondly, graduate students have their own unique characteristics, and in some ways some of the funding for universities across the board is starting to fall a bit short. What do we mean by that? For example, graduate students, at one point in time, were undergraduate students—at least, I hope they were—and many undergraduate students are graduating and are going to have some of that debt and that OSAP with them. It can become a little more cumbersome to have to take on additional debt to pursue graduate studies, especially if you're not receiving that research stipend, and we do understand that.

But there's stuff outside of the basic argument of calling for more funding. If we want to look at the expansion and support of mental health services we've recently seen, graduate students within that framework are complex. If you're a graduate student, there's a great chance you're going to be a TA or an instructor on campus. Many university campuses are looking at expanding group mental health sessions in order to reach the widest number of students as possible. Yet if you teach those students—it's incredibly complicated to ask a graduate student to be in a group mental health session and to be in the same room with many of the people they could be teaching. In many ways, we'd like to see a concern for tailored support for graduate students going forward.

The advancement of the sexual violence and harassment policy: Those of us at Laurier actually had a role to play in this. Again, for graduate students we've talked to, there's a higher incidence of domestic-partner-involved

incidents going forward which are much more research-intensive and require much more complex solutions.

Bullying and harassment: It's not just bullying from other students and online. We have to now take into consideration the relationship between students, between supervisors, the power dynamic there, and how we can really support graduate students in seeking the help that they need in order to meet these challenges while they're in this complex environment.

Essentially, it gets back to the idea that the one-size-fits-all method for addressing graduate student issues is not as cut and dried as it once was. There's a diversity of them, and there are a number of differences between them and the undergraduate student population.

So that really is the big ask.

A little bit more specifically, we did want to talk about post-residency fees. For anyone who has never heard of these, post-residency fees are fees you pay once you're done the course percentage of your work. So if you're an MA student or a PhD student, you'll do your coursework, you'll have your classes, and then, once you're done, you'll get into the intensive research and writing phase of your schools. What we're asking is that students who are in that last phase, that phase where they're not resource-intensive at the university, be allowed to pay a lower form of tuition. Back in the early 1990s, this used to be done at institutions across Ontario, where, once you completed it, once you weren't in class and receiving instruction—you were meeting with your instructor or your supervisor once a week; you're still TAing; you're still doing research and still providing valuable contributions to the university—you were allowed to pay less and less.

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Ever since the 1990s, and with the budget restrictions that we're seeing, on many campuses this was no longer allowed to happen. There are a few universities that do it, but by and large, many graduate students—including my colleague to the right of me, who's in the research phase—are paying that full tuition amount. We think there's an element of unfairness there and a conversation to be had about: If you have finished your coursework and are in the research and writing phase, you should be paying a reduced tuition. I know of students at Laurier who were in Romania doing work, and they'll pay the same tuition as somebody who's in class three days a week doing their master's. It's getting to that element of fairness we'd like to see.

Post-residency fees: In the past, they've been discussed as being, "Give us 50% off." It can be gradual. It can be 20%, 30% or 40%. There can be a phased-in approach. We're putting together a written submission to provide to this committee but we didn't want to be sticklers for that 50% number because we want to see what's flexible and accessible for the province.

In addition, there are 56,000 graduate students in Ontario. Not all of them need post-residency fees. Many are MBAs or MAs that are course-based, and not all of them are going to be in the post-residency phase at the

same time. We'd like to see the province begin examining that and to bring ideas forward that really can help graduate students on the back end of their academic piece.

Mr. Michael Makahnouk: Secondly, we'd like to ask the government to reintroduce a technology and textbook education allowance that would allow for greater support for graduate student education. As we previously alluded, the textbook and technology grant that was incorporated into the 30% Off Ontario Tuition Grant was not available to grad students. This grant was vital and cost-manageable for the province. For many graduate students there are high and inaccessible costs associated with their studies. This may come as a surprise to some of the members of this committee, but many graduate students require additional technological resources to conduct their research and scholarly activity. For many of those programs, these costs can be prohibitive for graduate students. The OGSA is asking that the province work to provide a one-time allowance—an upfront grant or tax credit—that would give each graduate student 25% back for eligible information technology purchases for up to a maximum of \$4,000.

I want to also highlight one point. The Ontario Graduate Students' Alliance is very supportive of upfront grants; however, graduate student funding in this province is a very complicated situation. There is not a formula that works for everybody. We do see that grants could work as a negative grant to some students who are well funded, and we certainly do not want to see our members penalized. We are in favour of upfront grants but we also acknowledge that maybe a tax credit could be involved to put this money back into students' pockets.

The Chair (Ms. Soo Wong): I'm going to need to stop you there. I'm going to turn to Mr. Fedeli to start this round of questioning.

Mr. Victor Fedeli: Thank you very much. That was enjoyable, gentlemen; I enjoyed what you had to say. You made a lot of points. Do you have a written submission that will encapsulate everything that you had to say?

Mr. Michael Makahnouk: We will.

Mr. Victor Fedeli: There's a deadline coming up and whatnot.

Mr. Christopher Hyde: The 31st; yes.

Mr. Victor Fedeli: Okay. Closing the skills gap: I support Mr. Baker's private member's bill. This is an area that our leader, Patrick Brown, has talked about consistently: that something needs to be done. If this is the start, then this is the start. What other tools can help close the skills gap, in your opinion?

Mr. Michael Makahnouk: My personal opinion would be that institutions need to do more to educate the whole student. Obviously, from a graduate studies perspective, we go to work every day to do research. Our success is based on how many papers we publish in a certain time frame. But do we learn other skills or core competencies when we're conducting research? I would argue: possibly and probably not. I think education in this

province, specifically at the university level, should see that students are encouraged to pursue whatever knowledge they want to obtain while they're at school, not just what's going to advance other people's careers. I'm sorry to say it, but that's the reality.

I'm not convinced that real work skills are being achieved at, let's say, the average level. It's going to be up to the student who's going to have to pursue what they want to get out of their education to make themselves a well-rounded individual. I don't think the university has really caught up to really identify that. In order to make Ontario successful, students need to graduate with skills in every area, not just pursuing research.

Mr. Christopher Hyde: If I could build that, my colleague: If we're coming Waterloo region today, we have to say "co-op," because it is one of the things that we're most proud of at Laurier and at the University of Waterloo.

Second to that is also experiential learning. I think that's going to be important going forward. I think it's something the province has identified in their funding formula review, so we were very happy to see that. Graduate students weren't necessarily mentioned specifically throughout it, but there was a nod to more experiential learning being done at the university level.

Again, it's going to be a hard, tough change to do at the university: to move us more towards meeting that skills gap and ensuring that we are graduating people who are going to contribute in a meaningful way to the economy going forward, but we think it's a worthwhile endeavour to undertake and is necessary.

Mr. Victor Fedeli: When you say "we think," do you think that other people think like that as well? Is it settled in now that this is critically important?

Mr. Christopher Hyde: I think other students think like that, and that's where I draw most of my experience from: hearing and talking to not only graduate students but undergrads as well who are talking about that, yes.

Mr. Michael Makahnouk: My fear as a student leader, a student and, really, as an Ontarian in general, because obviously I do live in this province and it's deferring my earning potential for a considerable amount, is that universities are moving to an activity-based budget model where it really is tied to bums-in-seats growth, whereas I don't really think quality education should be based on how many people are being pulled through and rushed out to the system.

If we're talking about the funding formula review which is currently under way, PhD students are supposed to finish after four years. That's what the government gives in terms of basic income units to the universities. However, that is based on 1960s-type philosophy.

I'm a PhD student who's well into my degree. Things break; stuff happens. There are lots of things that prevent me from finishing in four years. I certainly don't want to see the province work to, "You're in here four years; get lost." There is a time progression that—to come up with unique contributions to the field, four years in the 1960s might have made sense, but we're talking now 50 years

later. It takes a long time to develop ideas and actually enable them. I say that from a perspective of even going to industry. Even if you patent something, it takes decades from the idea to getting into the workforce.

Mr. Victor Fedeli: So do you think the “we” is suggesting that we want numbers rather than the quality student out at the end? Is that a part of the problem?

Mr. Michael Makahnouk: I have a fear that decisions are being made based on revenue and not so much based on quality.

Mr. Victor Fedeli: That’s interesting. Chair, I appreciate that opportunity to chat with the guys. Thank you.

The Chair (Ms. Soo Wong): Yes. Gentlemen, you have until February 2 at 5 p.m. to do your written submission to the Clerk. You have until February 2.

Thank you for being here, thank you for your presentation and good luck in your studies.

Mr. Michael Makahnouk: Thanks, Chair Wong. I’ll be back.

The Chair (Ms. Soo Wong): All right. Thank you.

The next group before us is ApprenticeLMS Ltd. ApprenticeLMS Ltd.: Are they not here? Are they here? I’m going to call one more time: ApprenticeLMS Ltd.? Seeing none, I’m going to the town of Pelham. Are they here? The town of Pelham.

I’m going to keep calling out. The city of London: Is Mayor Brown here? Okay. All right. Let’s see—

Mr. Victor Fedeli: Chair—

Mrs. Laura Albanese: Chair, it’s snowing really hard outside.

The Chair (Ms. Soo Wong): I know; I’m just looking at the weather. Mr. Fedeli?

Mr. Victor Fedeli: I saw ApprenticeLMS outside earlier today.

The Chair (Ms. Soo Wong): Are they outside?

Mr. Victor Fedeli: I saw them in the hallway.

The Chair (Ms. Soo Wong): I think the Clerk is going to go and see.

How about the Juravinski Hospital and Cancer Centre? Are they here?

Interjection.

The Chair (Ms. Soo Wong): They’re not here yet, Ms. Hoggarth. I keep calling the names. Town of Pelham—nobody? City of London, Mayor Brown—nobody? Okay. How about the Registered Nurses’ Association of Ontario? Nobody?

Mr. Victor Fedeli: They weren’t expected here—

The Chair (Ms. Soo Wong): No, no, no. The Clerk told them to come 20 minutes early. Some people do come early. I’m just calling to see if anybody is here from our list. How about the Campaign for Adequate Welfare and Disability Benefits? Are they here, Mr. Clerk?

Interjection.

APPRENTICELMS LTD.

The Chair (Ms. Soo Wong): It’s ApprenticeLMS. Welcome, sir.

Mr. Erik Hamalainen: Thank you. How are you?

The Chair (Ms. Soo Wong): Very well, thank you. So we just keep calling the list, and our colleague here, Mr. Fedeli, said you were here outside in the hallway.

Mr. Erik Hamalainen: Oh, yes.

The Chair (Ms. Soo Wong): So, sir, as you know, the Clerk is coming around with your written submission. You have 10 minutes—

Mr. Erik Hamalainen: I brought copies for everybody. We replicated work.

The Chair (Ms. Soo Wong): Yes, he’s coming around with your presentation.

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Mr. Erik Hamalainen: It’s all good.

The Chair (Ms. Soo Wong): So I just wanted everybody to know there is a written submission being presented.

As you heard, you will have 10 minutes for your presentation, followed by five minutes of questioning. This round of questioning will be coming from Ms. Fife, from the third party.

You may begin at any time. When you begin, can you please identify yourself for the purpose of Hansard? Thank you very much, sir.

Mr. Erik Hamalainen: Hi, everyone. I’m Erik Hamalainen, from ApprenticeLMS. I’m here today to talk about IT trades and growth in jobs for Ontario and Canada in general.

Does everybody have the slides in front of them?

The Chair (Ms. Soo Wong): Yes.

Mr. Erik Hamalainen: It would be nice to look at the very last page first, because sometimes we don’t get to it—this is a recommendation—and then we’ll go backwards.

Basically, our recommendations are to:

—support growth within the IT trades;

—ensure the colleges have adequate seats that are available for registered apprentices in IT;

—make sure we’re tracking program progression, using real-time reporting; and

—reward graduates at each level annually and the sponsors who sponsor them, through tax credits and completion incentives.

The tax credits and completion incentives are currently in place. Two of these trades are covered; we’re missing one. There are three IT trades: tech support, a two-year program—and hardware/network technician programs are four years. The two-year program currently isn’t eligible for ATTC, the Apprenticeship Training Tax Credit, and I believe it should be, because it’s the backbone of the four-year programs—getting people through the two-year. Many of them move on.

So those are our recommendations today.

Now I’m going to go back to the first page, just to confuse everybody. I added this page, which is different than the email I sent out.

Prime Minister Trudeau visited Kitchener-Waterloo region recently. Trudeau’s quote in the Toronto Star published Thursday, January 14, was that Waterloo is on

the “cutting edge of the global economy.” I believe that Prime Minister Trudeau is absolutely speaking the truth, and this is where we need to look at a sector to grow Canada and Ontario. He was visiting the Google offices that opened in 2005 with five engineers. Today, they employ more than 700 employees in Canada, which is phenomenal growth. Google hopes that we’re going to put infrastructure money behind training and education—I hope so too, and all my clients—for coding and other IT skills. We can read the quote by Mr. Trudeau, but he basically called himself the “geek Prime Minister.” I think you can read that on your own.

“Importance of IT in Ontario” is the next slide. Every aspect of our lives today includes technology. Look at all the devices in this room, the recording equipment. Offshoring of IT: Is there a cost savings or a security threat? We hear about hacking and infiltrations and data loss and impersonations all the time. So who are you going to trust with your IT files? Companies in Ontario with server storage, network support, hardware support and tech support. We want to make sure these jobs stay in Ontario and don’t go overseas or down south.

“Economic Effect of Technology Infrastructure” is the next slide. That’s very important. Highly skilled sectors such as technology have the highest multiplier effect on GDP. For every highly skilled technology job—which I just described; the hardware and network techs—three additional non-tech-sector jobs are created.

If we filled the demand for the 50,000 skilled technology workers today—they earn more than \$65,000 per year—we would increase gross GDP by a billion dollars annually without doing anything else but filling the demand. We already have the programs in place to do this.

If we look at the next slide, “IT Sector Growth,” according to itworldcanada.com, from July 8, 2015, Canada needs 182,000 people to fill these IT positions by 2019. We’re headed for a major technology talent shortfall in the next five years. Many workers lack the on-the-job experience. Well, we have a program to fix that. It’s the Ontario apprenticeship program for IT trades. We already have the solution. We just have to support it.

I know a lot of companies today are resorting to hiring temporary foreign workers to fill the gap. I don’t know how you feel about that when we have people in Ontario who could do these jobs.

A work placement component will create excellent opportunities, so the Ontario apprenticeship program for IT trades is the perfect solution. It uses on-the-job performance objectives coupled with in-school classes to provide adequate training over a four-year period. Our graduates are world-class technology professionals. They call us “Software North,” and we’re competing with California today. That’s what we need to do.

The next slide is “IT Trades in Ontario.” Again, it reiterates the three IT trades, a two-year and two four-year programs. Wages of a first-year apprentice in the GTA are greater than \$40,000 a year. Network technician

apprentices average over \$50,000 a year. A journey-person earns greater than \$73,000 annually. I know of tech companies in the downtown core today bidding for workers in six figures, over \$100,000 a year, once they graduate from our program. So there’s a shortage when you see the escalation of wages so high.

Advancement: A lot of the 634A or tech support grads move on to more advanced trades. This is what we’re not supporting today. The two-year program isn’t eligible for ATTC. Before I go to the next slide, the ATTC—in order to get a tax credit, the employer has to invest. In other words, they have to pay wages; they have to have a building; they have to have infrastructure. So it’s not a grant; it’s not a give-out. It’s just a very tiny portion of what they put into training that comes back to them. That’s important to understand. They’re not looking for handouts. It’s just basically a refundable tax credit on a very tiny portion of the money you put into the program.

There is a slide here from the January 20, 2015—almost a year ago—Toronto Star: “IT and Skilled Trades Are the Canadian Jobs of the Future”—who’s going to argue with that? “... computer technology and the skilled trades ... given an aging population, growing global demand for resources and Canadians’ love affair with electronic gadgets.” Don’t we all?

The next piece of evidence: Waterloo Region Record. The Information and Communications Technology Council reports: “A recent study from the council indicates Canada is facing an ‘alarming’ shortage of information and communications technology labour over the next five years. In Ontario alone, about 51,000 ICT jobs will need to be filled in the next five years.”

These technology jobs are a really rewarding place for women in the workforce, increasing the proportion of female workers. That’s important.

According to Service Canada—we’re going to talk about career advancement—in most companies, for entry-level support techs, it’s their gateway to move into more advanced computer-related occupations in networks, servers and hardware. That’s the two-year program I was talking about. Experience in tech support and the relevant training give the candidate access to computer programmers and interactive media developer positions. Considering these trends, the number of user support technicians should increase significantly over the next few years.

We’ve seen what the Toronto Star and the Waterloo Record and IT World and Prime Minister Trudeau are telling us: We need to invest in these programs. It’s the future of Canada. It’s the future of Ontario.

The next slide is “IT Demand.” IT companies I work with across Ontario, from Ottawa to Timmins to Thunder Bay to Windsor to Niagara Falls and back to the GTA, all require trained personnel to grow their workforce. Some are hiring temporary foreign workers to fill the gap. A basic Internet search the other day showed over 1,400 open tech jobs, and that was in the GTA alone. We need 51,000 of these positions filled in the next five years. A skills shortage requires training and investment. Let’s change the labour shortage and create jobs for Ontario.

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“Completions and Program Performance”: Apprentices attending the program through a sponsor with a contractual obligation to the program have a greater than 75% completion rate. When I look at other trades and completion rates that are woefully low—when we put the right tools into place we have a very high graduation rate and very low attrition within these trades.

Tech support is the basis for further advancement into networks, hardware, web development and server administration. Sponsors in the program have tracking software to demonstrate—in real time—completions, status, progress and results. By using this program effectively, we can create thousands of local homegrown jobs with good wages, starting at greater than \$40,000 for a first-year apprentice. Again, our last slide is this recommendation.

I’m asking you today, as our Prime Minister said last week when he visited Kitchener-Waterloo, to support growth within the IT trades. Ensure that adequate seats are available at the colleges to register apprentices. For those who aren’t familiar with seat purchase, the Ministry of Training, Colleges and Universities provides funding so that apprentices can attend in-school training. That’s an essential piece of the program.

Tracking program progress through real-time reporting will ensure that businesses that are getting a tax credit are only the ones that are actually doing the work. In other words, in the past, there were a lot of tax credits and grants given out to people that may not have really deserved them.

The Chair (Ms. Soo Wong): Mr. Hamalainen, can you wind up your presentation?

Mr. Erik Hamalainen: Absolutely. I’ve only got three bullet points here.

Rewarding graduates at each level annually; sponsorships through tax credits and completion incentives; and adding trade code 634A to the ATTC would help fill this 51,000-job gap, which is very important for us. We’re talking \$1 billion a year in incremental GDP by filling jobs that are required today. Thank you.

The Chair (Ms. Soo Wong): Okay. I’m going to turn to Ms. Fife to begin this round of the questioning.

Ms. Catherine Fife: Thank you so much for the presentation. I think you make a compelling case. I want to talk a little bit about tax credits. You make the point that there has been this influx of temporary foreign workers and we should be employing—the skills are there; we just have to develop them. If we were to extend the IT apprenticeship trades to the two-year program—first of all, when was it removed? Was it ever there? Did we ever have that—

Mr. Erik Hamalainen: There was an experiment. I actually sat on a committee called the IT industry committee for a period of five years, and there was an experiment with some call centres back in 2009, which I won’t comment on today because I work with IT companies. That tax credit was withdrawn in 2014, but this two-year program is the backbone of getting the common core

curriculum and job experience so that they can go into more advanced jobs.

Ms. Catherine Fife: But I think it’s important for us to pull back the layers a little bit on why that tax credit as it related to call centres was removed. Do you want to give us some context, at least, for that?

Mr. Erik Hamalainen: Yes, absolutely. It was being abused, in all honesty. Companies were getting very large tax credits and they didn’t actually do any training. There were very, very low graduation rates, while our graduation rates today are higher than at any other time in the history of this program. So by removing the foreign-owned call centres, we fixed the problem. That was a really good decision that the government made in 2014. Now we’ve got to look back at helping Canadian employers—small and medium-sized employers. It’s not just a handout when they get a tax credit. They have to invest in a business and an infrastructure and a building, and hire people and pay wages, and then they just get a tiny amount back.

Ms. Catherine Fife: But it’s very accountable, right? Tax credits are incredibly accountable, and they level the playing field, don’t you think, especially for small and medium-sized businesses?

Mr. Erik Hamalainen: Oh, absolutely. You have to actually do the work to get the credit, and that’s what I love about them.

Ms. Catherine Fife: I think one of your strongest points in this presentation is when you say that apprentices attending the program through a sponsor with a contractual obligation to the program have a greater than 75% completion rate. That’s a pretty impressive completion rate. How did you track this? Where did you get this data?

Mr. Erik Hamalainen: If you are a network or hardware apprentice or tech support apprentice in Ontario today, there’s a 90% chance you’re using curriculum that my company developed. I work with colleges throughout Ontario to deliver this program. I’m here, actually, representing more than 60 sponsors today and several colleges, so this is the aggregate statistic that we have collected.

Ms. Catherine Fife: Okay. Just for clarification, in last year’s budget there was a reduction in the tax credits for apprentices. It was an almost 25% reduction. Was that the construction trades, or did it include IT trades?

Mr. Erik Hamalainen: It covered all trades. The tax credit was reduced back to 2009 levels. Prior to 2009 we had a program that was running wonderfully at \$5,000 a year. In 2009 there was an incentive. It was doubled to \$10,000, and there were some experiments with call centres. I was on the IT industry committee at the time; I did not agree with allowing these call centres into the program. It’s just my personal opinion on trades. Then it was reduced, in 2014, back to \$5,000.

Now we have true trades. I’m going to call them true trades. These are IT hardware, network, server support and network support; they have nothing to do with the call centre industry whatsoever. These are the jobs that

pay—I have people hiring at \$100,000 a year in Toronto right now if they can find someone to do the work.

We need to train these people. Take the people off the unemployment rolls in Ontario and give them the training. The program is beautiful because the employers are asking for on-the-job experience coupled with education. That's what apprenticeship is about: We're accomplishing both tasks.

If the Ministry of Training, Colleges and Universities supports this greater, then within your community you're going to see a software boom as we see in Kitchener-Waterloo today and in some other areas. Because it's online and through networks, this is not limited to the south. We have disadvantaged areas in the north that I visit regularly, and we could affect them in a very, very positive way.

Ms. Catherine Fife: Okay. Then, just to be clear, you're calling for the reinstatement of the tax credit for the apprenticeship—

Mr. Erik Hamalainen: For one trade.

Ms. Catherine Fife: —for one trade. Okay. Thank you very much, Erik.

Mr. Erik Hamalainen: Thank you.

The Chair (Ms. Soo Wong): Thank you for your written submission as well. Thank you for being here.

TOWN OF PELHAM

The Chair (Ms. Soo Wong): I believe we have the town of Pelham here. The mayor and the CAO have arrived. Thank you very much, gentlemen. Come on down. Thank you for coming early. I know the weather out there is pretty treacherous, looking out from this end.

Welcome, Mayor. I just want to let you have a moment, because I know you just arrived. For the purpose of the committee, and also for Hansard, we need you to identify yourself for Hansard. You have 10 minutes for your presentation, followed by five minutes of questioning. This round of questions will be asked from the government side.

You may begin any time, and when you begin, just identify who you are.

Mr. Dave Augustyn: Okay. Thank you very much, Madam Chair.

My name is Dave Augustyn. I'm the mayor of the town of Pelham. I've been mayor since 2006. This is Darren Ottaway, the town's CAO. We've very, very pleased that you accepted our request to be able to present to you today.

You're quite right, Madam Chair: There is a little bit of a snow squall out there—a little bit of a blizzard. I'm sorry if we're just a little bit late.

The Chair (Ms. Soo Wong): No, you're early. Thank you.

Mr. Dave Augustyn: Well, I'm glad we made it early.

I believe that the Clerk has just given to you a copy of our presentation. It's sort of a PowerPoint presentation that we'd just like to quickly go through. At the end, we

do have some policy considerations that we'd like you to consider.

Where is Pelham? Pelham is a municipality of about 17,000 and growing right in the middle of the Niagara region. It's the highest point in the Niagara region. It's close to Welland, Niagara Falls and St. Catharines; it includes five communities. Here's the map on where it is. Sixty per cent of our community is greenbelted and 90% or more is actually residential assessment. High income, high education and, if you've heard of Henry of Pelham wine, that's right in our community as well. We encourage you to sample that.

Ms. Daiene Vernile: Any samples?

Mr. Dave Augustyn: We didn't bring samples, no. The shipment was coming; it's stuck on the QEW.

We're very, very, very pleased to be here.

There's a piece there about a new area. We are growing; there's a potential for 5,000 folks to move into our community over the next number of years.

The next slide is about infrastructure investments, just to let you know that we have some of that, in partnership with the stimulus funding that has been available. We have invested in our roads, in a couple of new fire stations, and in beautification of our downtowns, parks and facilities. Over the last number of years we've been able to do that in our community.

Here are some other infrastructure investments: a new skate park; there's the Lieutenant Governor in one of our nine fully accessible parks that we used for the—we received the stimulus money for that and we redid all nine of our parks. There will be a point as to why I'm telling you all of this and patting ourselves on the back in a moment.

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The next slide is some of our recent awards. We do have a silver in a bicycling-friendly community, a bronze in a walk-friendly community, and Parks and Recreation Ontario design awards for both our skate park and our playgrounds. We just received last year, from Festivals and Events Ontario, one of the Top 100 events, in our community, called Summerfest—it's a wonderful event, obviously, if it received that award—and also a community design award for this whole new expansion area that we're moving into.

That's the next slide. It's called "Growth," and it talks about what's called the East Fonthill master plan or the East Fonthill secondary plan. There's the groundbreaking ceremony there. That whole area is 450 acres with, as I mentioned, the potential for 5,000 residents, plus the groundbreaking here is for those 50 acres of mixed-use commercial, including 32 acres owned by the town. We want the desire to link with regional developments, and it's central to Niagara region. So we are planning a medical centre, some seniors' housing, and we're working with the private sector on those, and recreational facilities, which I'll highlight very quickly in a moment. We've also donated two acres of land so that Wellspring Niagara, which is a cancer support provider in Niagara, will be moving there, and we've donated the use of that land.

There's potential for a Pelham community centre. We've done all of our business case—that's the next slide—for this plan. It will include multi-purpose rooms, a double gymnasium, twin-pad arena and walking track. It will really be a community hub. There's a bit of a timeline there. That's sort of the best-case scenario, and that's what keeps the CAO up at night in terms of getting the design documents and the construction documents ready for council. We're ready to go. We're ready to put the shovel in the ground on all of this, and it has been a number of years in the making.

That's background to what we really want the committee to consider as you formulate your recommendations regarding the budget. We want to use this as an example: We applied for some funding for reconstruction of a street called Station Street. It doesn't matter, but it's close to the new development that we're planning. This would help support the East Fonthill development and would help support new community growth and investment. It's right there, and we've done a number of the other streets around it. Unfortunately, we received a rejection for the funding, and we've highlighted that and also included later on in the slide presentation a copy of the letter that we received. I do want to highlight this piece: "Your project proposal was not selected to move forward primarily because other applicants with highly critical projects had more challenging economic conditions and fiscal situations." On the one hand, you say, "That kind of makes sense," but on the other, what's really happening here is that those communities that are different than ours, that didn't concentrate on their infrastructure, that didn't redo their parks, that didn't put firehalls in etc., get a leg up over those communities like ours that have invested in those things.

So we would ask that you consider the policy goals when it comes to funding for provincial funding—and that's the next page here. Are you looking for communities—and we appreciate the partnership on this, obviously—that have demonstrated disciplined financial management? Are you looking for communities that have made wise infrastructure investments and have created wealth for the community? Are you looking for communities to help maintain their affordable tax rates?

The response is, "Well, your assessment is high, so your taxes are low, so you can just raise your taxes and get the development going." Is that really what we should be doing with these partnerships that we're trying to do? Instead, we're suggesting, on the other side, on these things—but also to encourage quality-of-life projects like social infrastructure projects, cultural and recreational facilities, community hubs. The federal government, as you know, has said that they will invest \$20 billion over the next 10 years in what's called social infrastructure projects, which include those. Under last year's rules for the applications, our community couldn't apply because that was not one of the criteria on which we could apply.

Then, the other goal is—do you want to try to help increase the overall wealth of a community? When one is thinking about infrastructure improvements, I guess what

we're saying is, please don't disallow us because we've done the right things. We've invested in our infrastructure, we have high assessment, and now we're ready to take the next phase on some things like cultural and recreational facilities. We want to be able to apply for those.

If you look at the letter, essentially the letter says that that's the one thing we knock off right away. What we're saying is: Please don't exclude us; include us in the mix and try to add those cultural and recreational facilities into the mix.

The final page here is a resolution that the town of Pelham passed. It would have been sent to the government. Our town is calling on the federal and provincial governments to eliminate economic status—which was one of the holdbacks for us—as a criteria for determining grant eligibility. We request that the provincial government expand the eligibility criteria to include recreational and cultural investments. And please don't penalize municipalities that have exercised financial discipline and wise infrastructure investment by excluding us from the grant process.

That's our submission, Madam Chair, and I'd obviously be open to any questions.

The Chair (Ms. Soo Wong): I am sure my colleague will be asking some questions. Mr. Baker, do you want to start this round of questioning?

Mr. Yvan Baker: Thanks very much, and I'm going to share my time with MPP Albanese, as well, if I could.

First of all, thank you very much for your very professional presentation, and congratulations on the success you've had in the community, both in terms of growth and also in terms of how you've indicated you've managed your finances.

Mr. Dave Augustyn: Thank you.

Mr. Yvan Baker: I wanted to talk, just briefly, about one of the things that since I've come to office and as a member of the Treasury Board I've become very aware of: that the provincial government is providing a tremendous amount of support to municipalities in a number of ways, but the one I wanted to focus on was around provincial uploads. There are other municipal supports as well, but the estimate that I have is that it's about \$2.3 billion across the province for municipalities. This combined benefit is about four times the level of funding that was provided in 2004, and \$2.3 billion is approximately 13% of the municipal property tax revenue in the province.

I guess my question to you is, could you talk a little bit about the benefit of those supports specifically, the uploading of services?

Mr. Dave Augustyn: Certainly. Thank you very much for the question. Niagara region has a two-tier system. I'm wearing my hat as mayor and representative of the town of Pelham, which is the lower-tier municipality, which does things like recreation and building communities—things like that.

The uploading, as the member will know, was primarily directed in those two-tier situations to the region. I do

sit on regional council, and we do appreciate very significantly the uploading that the province has done over the years. It has been dramatic. I'm sorry I don't have the number off the top of my head, but it has been millions of dollars.

I believe the amount for this year in Niagara region is something in the order of \$2.5 million. It could be slightly more. That allowed Niagara regional council to come in at a zero budget, in terms of no change on the tax rate, so we definitely appreciate that. A few years ago, when I was budget chair, we actually gave that back to taxpayers, which is what your government asked us to do.

That does allow a little bit of flexibility for the municipalities. The region makes up about 50% of the tax bill for a resident in Pelham, and we're about 30%, so that does give us a little bit more wiggle room in which we can increase the tax rate a little bit to help cover those costs. We certainly appreciate that.

I guess our point is that we know that the federal government is thinking about these investments and perhaps stimulating the economy a little bit early. We know that the provincial government has made significant promises to improve municipalities and investments. What we're saying is, please don't put a roadblock in front of us to disallow us, because we might have a little bit of a higher assessment, from trying to compete for those projects. What we're finding is a little bit of a glass ceiling, I guess; we're asking you to erase that.

We took advantage of these grants a few years ago when we fixed up Haist Street and downtown Fonthill, but please allow us, now that we've done that with stimulus money and things like that, to compete for these grants for the next phase for our community. That's what we're asking.

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Mrs. Laura Albanese: When you say that you took advantage of those grants, was that the RInC Program that was federal, provincial and municipal funding? Is that what it was?

Mr. Dave Augustyn: Yes, it was. One of them was the RInC Program. We applied for essentially two thirds funding for \$1.1 million for all of our parks. We redid all of our parks so they're fully accessible. That's why the former Lieutenant Governor came by to see them.

We also received funding for redoing downtown Fonthill, which was about \$3.6 million. Again, the province funded one third of that, the federal government, etc. That was under some of the stimulus funding for that.

Mrs. Laura Albanese: It was, and then the federal government withdrew that funding and it was too challenging for the province to finance it on its own.

Mr. Dave Augustyn: Yes, of course.

Mrs. Laura Albanese: Hopefully, we'll get more sympathy with the new federal government, as you were mentioning.

Mr. Dave Augustyn: I think you can see that municipal leaders, not only in this province but across the country, are very optimistic about that and the significant

infrastructure promises that this federal government had made in the election campaign. But what we're asking for, essentially, is: Please don't put any more roadblocks. We want to compete with other municipalities for those dollars and try to access some of those federal dollars as well.

Mrs. Laura Albanese: Have you applied for the Small Communities Fund?

Mr. Dave Augustyn: That's correct, and that's in the package here, in terms of what we applied for.

Mrs. Laura Albanese: It wasn't indicated, but I don't know if that was the one that you were rejected for.

Mr. Dave Augustyn: I apologize; that wasn't in the slideshow. But if you look at the third page from the back, it was the second intake for the Ontario Community Infrastructure Fund. You'll notice that the bullet points here—

Mrs. Laura Albanese: That's a different fund.

Mr. Dave Augustyn: Okay. May I ask the CAO to comment on that, Chair?

The Chair (Ms. Soo Wong): Yes, absolutely.

Mr. Darren Ottaway: Through you, Madam Chair: The municipality applied for both infrastructure funding, but the financial screening—the municipality was screened out on both occasions. The intake that you see with the letter is an example. The letter that we received on the other grant was virtually the same.

Mrs. Laura Albanese: Okay. Well, as long as you're trying to take advantage of every opportunity, I and my colleagues take your point well.

I guess the last comment I would make is that the uploads, yes, are being provided at the upper-tier level, but they're supposed to benefit and trickle down to the single municipalities, so you may want to knock on their door as well. Since you're part of the regional council, you should make sure that you get your share from that saving.

Mr. Dave Augustyn: Madam Chair, I appreciate the suggestion from the member. We will be trying to take advantage of that little bit of tax room that that allowed us. I appreciate that.

The point of the presentation today is, essentially, to say: Please don't put criteria in our way that disallow us from applying for those grants and knock the feet away from us. We think we have some great projects coming. We moved our community ahead because of those significant infrastructure partnerships that we formed before. We want to continue to do that. So we just ask that you consider, in your budget deliberations, making that policy change and not having that artificial line there.

The Chair (Ms. Soo Wong): Thank you very much, Mr. Mayor and Mr. Ottaway, for coming, and also for your written submission. I hope you have a safe journey home with this bad weather.

Mr. Dave Augustyn: Thank you so much. We really appreciated the opportunity. Best wishes on the rest of your consultations. I know you're travelling the province. Thank you.

The Chair (Ms. Soo Wong): Thank you for being here. We really appreciate it.

I'm going to call to see if the other witnesses are here. Is the city of London here? No. How about the Juravinski Hospital and Cancer Centre? I see none. How about the Registered Nurses' Association of Ontario?

I'm going to ask for a suggestion from the committee. Would you like to recess until the next witness arrives? Then, once the witness arrives, we're going to start right away, because I'm mindful of the weather and I'm sure we would like to leave promptly to head out.

I'm going to—Mr. Clerk, no? Okay. I just said to the committee, Mr. Clerk, that we'll recess until the next witness arrives.

Please don't go too far, because we want to start immediately when the next witness comes, okay? We're going to do a recess. As soon as there's a next witness come, I'm going to reconvene the committee.

The committee recessed from 1515 to 1522.

JURAVINSKI HOSPITAL AND CANCER CENTRE

The Chair (Ms. Soo Wong): I'm going to resume the committee. I understand that we have a witness here. I believe it's Dr. Tandan. Am I correct? Doctor, I just want to give you a moment as the committee comes back. I just recessed the committee until the next witness. Just to let everybody know, we are going to have Dr. Tandan and, hopefully, the other witnesses will come forward.

Dr. Tandan, you will have 10 minutes for your presentation, followed by five minutes of questioning. This round of questioning will be done by the official opposition party. When you begin, for the purpose of Hansard, please identify yourself, your name and your position at the cancer centre because we have everything for documentation purposes. Okay? So, welcome and thank you very much for coming here and coming early.

Dr. Ved Tandan: My pleasure, and thanks for having me. My name is Dr. Ved Tandan. I'm the head of surgical oncology at the Juravinski Cancer Centre at Hamilton Health Sciences. Thanks very much for the opportunity to present today at these pre-budget hearings. I've been a cancer surgeon in Hamilton for almost 20 years now, and I'm also the past president of the Ontario Medical Association.

Every day, Ontario's 28,000 doctors go to work and we put our patients first. For us, it's simple: There is no job more important than the health of our patients. I want to give you a fairly quick personal example of that. Not long ago, I finished my elective surgery around 6 in the evening—I usually operate from 8 till 6 on Tuesdays—and I was heading out, getting ready to drive my daughter to swimming. As I was leaving, I noticed some unusual activity in one of the other operating rooms, so I put my head in the door just to see what was happening.

One of my colleagues was just starting an emergency procedure on a patient who was really very sick, at risk of dying from septic shock. I knew that if I stayed and

helped him, the two of us could likely do the procedure a lot faster and have a much better chance of saving this patient's life than if he carried on working on his own. So I stayed. Two hours later, we finished, and the patient actually recovered and did very well. My wife did what she always does: She picked up the slack at home and took my daughter to swimming. I'm not special. Doctors across the province make personal and family sacrifices like that to put their patients first every day.

I'm here to call on the government of Ontario to fully fund the demand for medical care in Ontario according to the needs of our growing and our aging population. Last year alone, the Ontario government unilaterally cut, by nearly 7%, the physicians' services budget that covers the care that doctors provide to patients. But the demand for medical care in the province is growing by at least 3.5% each year, with 140,000 new patients entering the system annually. That's almost the population of Prince Edward Island.

I want to take a few minutes to explain why fully funding the demand for medical care is so critical to understand, as we believe the government's actions are having serious implications for our patients and their families across the province.

One of the building blocks for a healthy economy is a healthy population. The fact is, Ontario's population is growing and aging. This is not a time for the government to decide to fund less than half of the additional care that will be needed each year. They don't even want to pay for the new doctors to treat existing patients, who we all know are struggling to access the care that they need.

By the Ministry of Health's own estimates, the demand for medical care will grow by at least 2.7% per year due to population growth in Ontario, an aging population that needs more care and more complex care, and the need for new doctors to treat those existing patients who currently can't get access to the care they need in a timely fashion. But the government is only willing to fund 1.25%, or less than half of that growth. This is necessary care that every patient in our aging and growing population requires and deserves.

To make matters worse, today in Ontario, the number of patients struggling with chronic conditions is rising sharply. More than half of seniors have a chronic condition, and 25% have two chronic conditions. Since 2008, the growth rate of patients with chronic disease is triple the growth rate of patients without chronic diseases.

Here in the Hamilton Niagara Haldimand Brant LHIN, we're home to 1.4 million people, with more than 70% of that population living in Hamilton or Niagara. I want to give you a brief overview of the health needs of our LHIN here in HNHB.

We have 55,000 patients in our LHIN currently who do not have a family doctor. The population is aging, and over the next 10 years the largest population growth will be among seniors. The population of those between the ages of 65 and 74 is growing by 43%, and of those over 75 by almost 29%. We have already got over 200,000

seniors living here, which is the largest population of seniors in all the LHINs.

With that aging population come more chronic conditions and the need for more complex care. Yet the government's response has been not to fully fund physician services to match patient needs, but to cut it by 7% in 2015 alone.

We believe the government is failing to accept its responsibility to fund the system accordingly, and it's threatening access to the quality, patient-focused care that Ontarians need and deserve, including our community here in Hamilton and Niagara.

Recent physician service agreements in British Columbia and Saskatchewan have demonstrated how those governments have accounted for the growing and changing needs of their populations and have made changes required to fund system growth. However, Ontario is shirking its responsibility to fund natural growth in the medical needs of its population.

Doctors understand and acknowledge the economic challenges facing the government. I'd like to remind you that in 2012, Ontario's doctors accepted a 5% cut and, in doing so, helped to save over \$850 million in the health care system. We did that because we felt that we could make cuts in places that would have minimal impacts on patient care. But now the government is cutting physician services unilaterally without regard for the impact on patients. This is unsustainable. It's unrealistic if we want the best care for our patients and if we want the best doctors available in Ontario. This behaviour represents a race to the bottom. While the government unilaterally imposes their cuts to physician services, doctors will continue to do everything that we can to limit the impact of those cuts on patients. But make no mistake: There are negative impacts already happening.

So our message is clear: We want the government of Ontario to fully fund the demand for medical care in Ontario to the needs of our growing and aging population. It's time for the government of Ontario to truly put patients first and fund the growth in the health care system. The decisions Ontario makes today will impact patients' access to quality care in the years to come. Thank you.

1530

The Chair (Ms. Soo Wong): Thank you very much. I'm going to turn to Mr. Toby Barrett to come and ask you the first round of questions. Mr. Barrett?

Mr. Toby Barrett: Thank you for your presentation. We know there has certainly been a funding freeze for hospitals and for physicians. It's worse. We understand that the cutting of millions of dollars to physician services not only hits physicians but also patients. In the climate I represent, a rural area south of here, I didn't have a doctor for a couple of years; I have one now. That's the case with so much of rural Ontario.

Could you just comment on that? We heard recently from a research and teaching hospital association of the short-term gain but long-term loss with this kind of an approach.

Dr. Ved Tandan: Yes. We're seeing medical students becoming discouraged and young physicians becoming discouraged with the continual cuts to funding and, really, with the disrespectful way that physicians are being treated in Ontario and almost being villainized. That's leading them to make decisions to either not go into certain types of practice or to leave the province. We're seeing that repeatedly, and we're hearing that. In fact, there are groups that are tracking it very closely.

Despite attempts that the government has made to try and direct physicians or drive them into specific areas of practice in rural communities, as an example—that's not the way to get people to go somewhere and stay there. You have to have them want to go there. To try and force people to go somewhere isn't the solution. We have solutions like the Northern Ontario School of Medicine that has done exactly that. It has taken students from northern Ontario and trained them, and almost all—well, not almost all, but I think over 90% of those students go back and practise in northern Ontario. We're just starting to see the dividends from that now.

The Chair (Ms. Soo Wong): Mr. Fedeli?

Mr. Victor Fedeli: That absolutely segues into my question. Our leader, Patrick Brown, Toby Barrett, myself and others did a road tour of northern Ontario. I'm from North Bay. We started in North Bay and ended up in Dryden, by car.

In one of the communities, there were graduates from the northern school. This one unbelievably bright young woman, who told us about her student loans of several hundred thousand dollars—she's a brand new practising family physician—said that under the new set-up, she now cannot afford to stay here, and she is looking out of the province.

Is that typical? We've heard from her and others, but is this reality? Is that what is truly happening out there?

Dr. Ved Tandan: Absolutely. I was hearing that when I was president, and since that time as well, from literally dozens of new-graduate physicians, and even physicians that have been in practice, who are relatively new in practice, who have made commitments to lease space and equipment, and suddenly their revenue stream has been cut very dramatically, and they literally can't make ends meet.

I go to call some of the family doctors that refer patients to me, and I can't get through on the phone because they've gotten rid of a phone line or two or they've let go some staff because they're trying to cut expenses, just like any other business would do when its revenue is decreased so dramatically.

Mr. Victor Fedeli: We started in North Bay. There are 12,000 people, including myself and my wife, without a doctor. As we went to Sudbury, Sault Ste. Marie, Thunder Bay and others, the numbers were astounding, how many of these communities' families do not have doctors.

The bottom line is, how do these cuts affect the families in Ontario? What's the bottom line of all of this?

Dr. Ved Tandan: The bottom line—I mean, there are two. One is immediate access. You've already pointed

out how many patients in the province already don't have a family doctor, and that number is going to continue to grow because we're not going to keep the family doctors that we need and the specialists that we need.

But probably more important is the long-term impact. We made decisions back in the early 1990s around medical school training and realized that that was a mistake—

Mr. Victor Fedeli: A big mistake.

Dr. Ved Tandan: —and have tried to bounce back. But it takes 10 years to recover from decisions that you make. All these doctors that we're losing today won't come back. They lay down roots and they make decisions to stay somewhere, and it's really hard to get them to come back. I'm really concerned that the long-term impact of these decisions that are being made today is going to be felt for many years to come.

Mr. Victor Fedeli: Yes, I would agree with you. When I met with her—and then we found out that her husband was also a physician; he just wasn't there with us that day. That's a twofold that we're going to lose from one of these small communities in northern Ontario. I tried to get her to explain to us the math and the reasoning why. It was complicated but the bottom line is that there is just no money for the new, young docs who are coming out. Is that accurate?

Dr. Ved Tandan: It is. In fact, when we initially started this dispute with government back a year ago, one of the things that we put on the table was that doctors are willing to take a freeze in income. It's not like anybody wants more money individually. But there is more money needed in the system: to hire those new doctors and pay for them to look after the growing population of patients as well as those people who are already here who don't have a doctor, or who can't get in to see that doctor quickly enough if they need to see a specialist. So, absolutely.

The Chair (Ms. Soo Wong): I'm going to stop you. Thank you so much, Dr. Tandan, for being here. If you have a written submission, you have until February 2 at 5 p.m. to submit it to the Clerk.

Dr. Ved Tandan: Thank you.

The Chair (Ms. Soo Wong): Thank you so much for coming, and thank you for being early.

CITY OF LONDON

The Chair (Ms. Soo Wong): I believe the town of London is here. Mayor Brown? I believe he's here; am I correct? Good afternoon, Mr. Brown, and welcome. Thank you so much for being here today in this weather. The Clerk is coming around to hand out your written submission to us. As you probably heard, you will have 10 minutes for your presentation, followed by five minutes of questioning. This round of questioning will be coming from the third party. You may begin any time. Please identify yourself when you begin for the purposes of Hansard. Thank you.

Mr. Matt Brown: Thank you very much. I'm pleased to introduce myself. My name is Matt Brown. I'm the

mayor of London, Ontario, the sixth-largest city in Ontario. Good afternoon.

Thank you very much, Chair and members, for the opportunity to speak to the Standing Committee on Finance and Economic Affairs as you prepare for the Ontario 2016 budget. This budget, I believe, represents a critical opportunity to invest in Ontario. On behalf of the city of London, we commend the government for its leadership in making strategic decisions that will improve the lives of all Ontarians.

In particular, I would like to thank the provincial government for their continued leadership by investing more than \$130 billion into infrastructure in communities right across this province.

We are particularly interested in, and appreciative of, the \$15 billion that's earmarked through the Moving Ontario Forward process for public transit and any other infrastructure projects outside of the greater Toronto-Hamilton area. I look forward to working with you and the provincial government in building a stronger London and a stronger southwestern Ontario.

I am here today, on behalf of Londoners, London businesses and institutions, as well as the city of London, to request your support for a once-in-a-generation rapid transit project which will transform our city as well as our region.

London is Canada's eleventh-largest city. We have a population of 381,000 within the city boundary and our CMA consists of 450,000 people. London will grow by nearly 80,000 people over the next 20 years. We are the regional hub of southwestern Ontario, a wider population of more than 2.5 million Ontarians who rely on London's health care, educational institutions and amenities and services, including sports, music, culture and recreation.

Like all big cities in Canada, we're struggling with a serious and growing congestion problem. London has well above the average transit ridership rates but our current transit system is not able to meet current needs, let alone future needs. We leave far too many people at the side of the road. Transit ridership in London has increased by 94% between 1998 and 2014. We expect it to grow by another 40%, to 33 million rides per year, by 2035. We know also that there will be 25% more cars on the road by 2030. London faces a greater strain on the city roadways and public transit system, which is already operating over capacity. It's clear the existing public transit infrastructure can't handle this growth.

I want to highlight this point: London is the largest city in Canada without a rapid transit system. We know from community surveys that transit and transportation are the top concerns for Londoners and have been identified as a top priority of city council. Investing in a modern, efficient transit system is critical for our city: for our downtown and for our neighbourhoods; for our businesses and for our institutions like Western University and Fanshawe College, as well as our hospitals; and for all citizens in London, as well as those in our region who rely on a good transportation system to move across the city.

The city of London has developed plans to transform mobility and connectivity in our city. "Shift" is what we're calling our rapid transit initiative. It charts a course for a very different London. It envisions a 22-kilometre rapid transit system. It includes improved road, bus and active transportation networks throughout the city. It will result in a more efficient, more sustainable, more convenient and more connected community.

1540

Shift will fundamentally change the way we move across the city. It will connect London's downtown with our north, our south, our east and our west, as well as our residential and commercial hubs. The package that I provided you with today provides a map and more details about these routes.

We have already invested millions into a detailed environmental assessment process. Rapid transit has been integrated into all of our documents, including our draft official plan that will be headed to the province in the early part of 2016, our transportation master plan, our downtown plan, and council's strategic plan. To date, we have connected with more than 40,000 Londoners—that's 10% of our population—to contribute to these works.

In the fall, we delivered our initial submission to Minister Duguid and the government as part of the Moving Ontario Forward consultation. The submission formally introduced this rapid transit plan and requested a commitment of support for this process.

In November 2015, London city council unanimously—15 to 0—endorsed this hybrid light rail/bus rapid transit system as our preliminary preferred option in the environmental assessment. We are ready for rapid transit, and Shift will only be realized through partnering with, of course, the government of Ontario and the government of Canada.

As the mayor of the city of London, I am asking to seek one third of the total project costs—that's amounting to \$388 million—to be phased over a 10-year period beginning in 2017. Overall, the estimated capital cost of Shift is \$900 million, and the estimated annual operating and maintenance cost over the next 30 years is \$287 million, for a total project cost of just over \$1.1 billion.

The city has already committed \$125 million towards the capital costs and will pay for all of the ongoing operating and maintenance costs. This is in addition to the investment the city will continue to make each year to support the rest of the transit system in London. We're committed to demonstrate our willingness to partner with all levels of government to bring modern, efficient transit to London and the region.

Our request for \$388 million in provincial funding represents approximately 2.5% of the funds allocated through the Moving Ontario Forward fund outside of the greater Toronto and Hamilton area. We believe this is a reasonable request, given that London is the second-largest city in Ontario outside of the GTHA, second only after Ottawa.

The provincial government has committed to investing \$15 billion over 10 years into transformative public transit infrastructure outside of the GTHA. For London and for the entire southwest region, Shift represents an immediate opportunity to demonstrate this commitment in action.

An investment from the province in Shift would provide a major stimulus for our local and regional economy through significant job creation and long-term economic growth. Shift has the potential to add over \$400 million to the country's GDP, both in terms of short-term and long-term investment. Reducing congestion in the region through encouraging a substantial transportation modal shift will free up our roads for goods and services and encourage people outside of the city to invest in our community.

Strategically, the rapid transit corridors will be integrated into all other transportation modes, including rail, road, bus transit and active transportation routes. The government is moving ahead with plans for the high-speed rail, which will absolutely transform our community and connections for other communities right across southwestern Ontario, from Windsor to London to Kitchener-Waterloo to Toronto. Shift has been designed to fit seamlessly with that plan.

A commitment from the provincial government will demonstrate that all levels of government are working together to reduce congestion and improve the quality of life for Ontarians.

I have to tell you, we in London are very excited about this plan and the positive impact it will have on our community and our citizens. We are encouraged to see all other orders of government identifying transit and infrastructure as a priority. I note that in the 2015 provincial budget, London was identified as a potential site for rapid transit investment, and, of course, we've seen significant commitments made by the federal government recently as well.

To sum up, I look forward to working with you as we make transformative investments in London, in the southwest region and in this great province. Thank you so much for the opportunity to speak. I'd be happy to answer any questions.

The Chair (Ms. Soo Wong): Thank you very much, Mr. Mayor. I'm going to turn to Ms. Fife to start this round of questioning.

Ms. Catherine Fife: Thank you very much for the presentation, Mayor Brown. It's very comprehensive. You've covered all of the points that the government is looking for.

I am curious, though: When you did make your presentation to Minister Duguid, what sort of feedback did you get and how did he receive the report?

Mr. Matt Brown: I think that all of the conversations that we've had to this point have been very positive. We recognize that we're at the early stages of these conversations. I have to say that it was very encouraging to see London identified as a potential site for a rapid transit investment in the 2015 budget.

Since those conversations have occurred, we've moved forward with our very extensive environmental assessment and we're getting much closer to identifying that preferred option, the right rapid transit program for London. Of course, these conversations that we're having with the provincial government as well as with the federal government will help us identify that right fit for London.

Ms. Catherine Fife: So you'll know that the competition for these dollars is intense across the province, with every community from Niagara to Kitchener-Waterloo to Toronto making the case for investment. What would you say makes your application unique, if you will?

Mr. Matt Brown: I would say that London is the largest community in Canada that doesn't have a rapid transit program. London is the second-largest community in Ontario outside of the GTHA, second only to Ottawa, and represents the hub for so many purposes for the southwest. So an investment of this kind in the London area isn't simply an investment in a single community; it's an investment in an entire region that represents 2.5 million people. An investment of this magnitude—a \$900-million infrastructure program—would have significant, positive short-, medium- and long-term impacts not only for the London region but for the entire southwest. I think that's what sets us apart.

Finally, I'd indicate that the \$15 billion that's been identified in the Move Ontario fund outside of the GTHA is a significant amount of money. What we're asking for is 2.5% of that fund.

Ms. Catherine Fife: Okay, thank you. I think my colleague has a question as well.

The Chair (Ms. Soo Wong): Mr. Miller?

Mr. Paul Miller: Hello, Mayor. How are you today?

Mr. Matt Brown: Very well, thank you.

Mr. Paul Miller: As you can expect, in Hamilton we're pushing for our LRT, and hopefully it does come to fruition.

Mr. Matt Brown: I just had the pleasure of meeting with your mayor 10 minutes ago.

Mr. Paul Miller: We're holding our breath and we're hoping it comes through, but we'll see.

In reference to your request, it would certainly improve—being a university hub as you are, there are a lot of people coming and going, and certainly your population is expanded in the school year, and riding is effective for students to get around the city. They may have challenges for cars and things like that, which is certainly a positive movement. But I'm just wondering: On this request, it's strictly about transportation. You talked about infrastructure as a whole. Can I assume that your bridges and your roads and your affordable housing are all going to be covered by the rest of the budget that you have in London? How is that going to work?

Mr. Matt Brown: This has been identified as our number one priority for the community in terms of preparing for the long-term congestion issues that we're expecting to encounter.

I would say that although this is public transit and certainly will provide better transportation across the

city, this is much more than that. It is a city-building initiative, just as we see in the great city of Hamilton. We expect to see development—to occur along the transportation corridors that are identified within the rapid transit document—to boom. The London Plan is our draft official plan that calls for a much more sustainable and efficient way to grow our community, a much more inward—

Mr. Paul Miller: I don't want to interrupt you, but I don't think you've quite answered my question. My question was that this is a transportation request, but I asked you about your other should-be priorities: affordable housing and other aspects of society that require funding. I don't see any of that in here. Are they two separate issues or has your council set aside contingency funds to cover those other areas that are important to people?

Mr. Matt Brown: Certainly, like all other big cities across Canada, we're focused on infrastructure and housing as well as transportation and transit as our key priorities. I think it was a very important correction to make that this is not just a transportation application. This is a city-building application that will drive our economy forward and that will make more tax dollars available to make investments in things like other infrastructure projects as well as housing, which is a significant priority—

Mr. Paul Miller: I don't think I'm getting my answer, but that's okay. We're stuck on transportation, but that's fine.

1550

So are you expecting the government to give you the same deal that Hamilton got in reference to the all-out cost and then, as you've mentioned, you would be maintaining and continuing on from there? That's not quite the deal that Hamilton cut. Where's your bottom line and where do you feel that you would be satisfied if you couldn't get your full amount?

Mr. Matt Brown: We're not asking for the entire project to be funded by the provincial government. That's a \$900-million project. We're asking for approximately \$377 million from the province. We've already earmarked \$125 million primarily from our development charge as a commitment towards the capital. We'll be reaching out to our partners in the federal government for the remainder, recognizing that we'll take care of the operating costs in perpetuity, once the system is put in place.

Mr. Paul Miller: Thank you.

The Chair (Ms. Soo Wong): Thank you very much, Mr. Mayor. Thank you for your written submission, and have a safe drive back home.

Mr. Matt Brown: Thank you very much. I wish you a safe trip as well.

REGISTERED NURSES'
ASSOCIATION OF ONTARIO

The Chair (Ms. Soo Wong): All right. I believe that the witness from—they're early, which is good—the

Registered Nurses' Association of Ontario, Mr. Rankin, is here from the board, the region 3 rep.

Mr. Rankin, welcome. I believe that the Clerk is coming around with your written submission. You can have a seat while he's doing it. You have 10 minutes for your presentation, followed by five minutes of questioning. This round, the questioning will be coming from the government side. Thank you.

Mr. Aric Rankin: Okay, great. Good afternoon, everyone. My name is Aric Rankin and I'm a nurse practitioner. I'm representing the board of directors for the Registered Nurses' Association of Ontario. We are the professional association representing registered nurses, nurse practitioners and nursing students in Ontario. The region I represent is the Brant-Haldimand Norfolk, Hamilton and Niagara chapters. I thank you for the opportunity to offer RNAO's recommendations on two important issues facing nurse practitioners within Ontario: first, to unfreeze nurse practitioner compensation; and, second, to implement immediate regulatory changes to authorize nurse practitioners to prescribe all controlled drugs and substances, including methadone, testosterone and Suboxone.

Let me provide you with some background. The nurse practitioner role was officially legislated in 1998. It was in existence for several decades before that. Nurse practitioners have had an expanded scope of practice and hold either a master's degree or a postgraduate certificate. Before becoming an NP, one must have at least two years of clinical experience as an RN. In truth, an average nurse practitioner has at least 16 years of clinical experience.

Thanks to the RNAO's evidence-based advocacy efforts, Ontario has established 26 nurse practitioner-led clinics, and they're delivering comprehensive primary health care to more than 40,000 Ontarians. At these clinics, nurse practitioners are the lead clinical practitioners who work collaboratively with teams of registered nurses, pharmacists, social workers, dietitians and others. A physician is associated with the clinic for consultation. These physicians are usually on site for a couple of hours biweekly.

Nurse practitioners also work in home care, hospitals and nursing homes. I'm proud to say that Ontario was the first jurisdiction in North America to authorize nurse practitioners to admit, treat, discharge and transfer hospitalized inpatients—another achievement that RNAO has had working with policy-makers and other political parties such as yourselves.

Indeed, the knowledge, skills and expertise of nurse practitioners have contributed substantially to improving timely access to quality health care for all Ontarians, but we are not done.

Minister Hoskins has made his commitment to community care clear. He aims to advance person-centred care, home health care and primary care. However, there is a persistent challenge that is destabilizing the primary health care workforce. Primary care nurse practitioners have had their salaries frozen for the past nine years at

\$89,200. When you take inflation into account, salaries have actually dropped by 16%. This makes retention and recruitment in primary care a huge challenge as we are not only competing with jurisdictions like Alberta, where the average nurse practitioner's salary is \$120,000 per year, but we're also competing with NP expertise locally, within hospitals and CCACs, which pay much higher salaries and competitive benefits.

While primary care nurse practitioners have seen their compensation frozen, the Canadian Institute for Health Information reports that the gross pay for physicians in Ontario has actually gone up. In fact, between 2003 and 2013, physicians' wages jumped 61%. How is that fair? I must ask you that. Nurse practitioners work very hard and provide competent care.

Minister Eric Hoskins has promised to put patients first by improving access to care, connecting services, informing people and protecting our universal, publicly funded health care system. This plan sets the wheels in motion to make a complex health care system easier to navigate and to help people get the care that they need. Registered nurses, nurse practitioners and nursing students are all on board. However, it's critical that we do justice to nurse practitioners, especially given that the role and accountability has grown exponentially and we are caring for Ontarians with the most complex health care needs and social needs.

As a nurse practitioner who works as a full-time NP at the Aboriginal Health Centre in Brantford, Ontario—my colleagues and I have received annual performance reviews appreciating our great work and dedication, but “due to the Ministry of Health and Long-Term Care, which caps nurse practitioners' salaries, we are unable to provide you with a salary increase at this time.” Our organization, which works with some of the most vulnerable people, has lost excellent NPs with significant expertise because they have chosen to work elsewhere, in other provinces and other organizations, where they can get a better salary.

RNAO asks in the strongest possible terms that this provincial budget include funding to eliminate salary and benefit inequities for primary health care nurse practitioners. This recommendation is important as a stand-alone, and also given that the nurse practitioner workforce is predominantly female and that the government is currently conducting a review of the gender wage gap in Ontario and they've promised to take action on this. So the time is now.

Our second ask relates to an outstanding gap in the care that nurse practitioners are able to provide to the people of Ontario. Since 2009, we have seen our scope of practice grow with the passage of Bill 179, enabling us to prescribe most medications. However, we are prohibited from prescribing controlled substances, and this challenges our ability to deliver timely and appropriate pain management, especially for those patients who require palliative care. It limits our ability to lead harm reduction programs for those who are battling addictions, and it prevents us from helping transgendered persons who

require hormonal therapy. All of this conflicts with the evolving role and the expectations that come from being the most responsible care provider for thousands of Ontarians. It also contradicts the government's agenda in areas such as harm reduction, palliative care and gender identity justice.

In 2012, federal amendments authorized nurse practitioners to provide controlled substances. This was a big step forward, and we anticipated regulatory amendments would follow in Ontario. In 2013, we were thrilled to hear, at the RNAO AGM, that Premier Wynne committed to look at having nurse practitioners prescribe controlled substances. However, two years later, we're still waiting.

Historically, Ontario has led the way through significant expansions to the scope of practice of nurse practitioners, but we now lag behind other jurisdictions such as Alberta, Manitoba, Saskatchewan and Nova Scotia, where NPs have this prescribing authority.

With enabling regulation to authorize prescribing controlled substances, nurse practitioners will continue to decrease health care costs by reducing duplication and unnecessary referrals. It will also improve continuity of care and timely access to necessary treatments. In the States, studies have found that increasing NP prescribing authority to include controlled substances results in positive outcomes, including improved access to care and decreased costs.

1600

Given the demonstrated positive impact of nurse practitioners on improving access to health care services for Ontarians, RNAO calls for immediate regulatory changes to authorize nurse practitioners to prescribe all controlled drugs and substances, including methadone, testosterone and Suboxone. It is time to bring the regulations up to date to reflect the comprehensive, safe and evidence-informed care that nurse practitioners around Ontario consistently provide.

I thank you on behalf of RNAO for the opportunity to present to you today in front of the standing committee. I'm happy to answer any questions that you might have.

The Vice-Chair (Mr. Peter Z. Mileczyn): Thank you, Mr. Rankin. Ms. Wong has questions for you.

Ms. Soo Wong: Mr. Rankin, thank you so much for coming down to the standing committee pre-budget consultations. I just want to say that we just had a previous witness, Dr. Tandan, who spoke to this committee and verbalized to the committee that physicians' salaries were not increased. Now I'm hearing two separate kinds of conflicting stories. He just presented to this committee saying that physicians' salaries have gone down, and the fact that the government has frozen physicians' salaries, when we know it's just under \$12 billion.

On page 3 of your report here to the committee, you said that physicians' salaries jumped 61%. I'm just in conflict here, because he just presented, literally less than half an hour ago, that physicians' salaries have gone down, and you just presented to us, on behalf of the

RNAO, saying that physicians' salaries actually went up. I'm just confused. Can you clarify that for us?

Mr. Aric Rankin: I'd be happy to clarify that. First of all, I don't want to get into a debate about physician salary versus NP salary. This was through evidence from the Canadian Institute for Health Information, that in fact salaries have increased over that time.

Now, whether or not physicians need an increase in salaries, the bottom line is that physicians' salaries have not been frozen for nine years. Nurse practitioners have had an increase in prescribing authority, admitting and discharging, and now ordering tests that are wide open, whether it's laboratory or ultrasounds. The scope of the nurse practitioner has grown immensely, yet the salaries have been frozen. If we look at other jurisdictions, they're much higher.

Ms. Soo Wong: Thank you for this clarification, Mr. Rankin. The other question I have is that you alluded earlier to the gender wage gap public hearings right now. Has the RNAO participated in those public hearings on the gender wage gap with Minister Flynn's group going around the province?

Mr. Aric Rankin: I can't speak on behalf of Doris Grinspun and our president, but I know that they have been very much involved in gender disparities, whether it's the wage or otherwise.

Ms. Soo Wong: The other question I have is, as you've probably heard as well, is that I believe the parliamentary assistant to Minister Hoskins, my colleague John Fraser, has been going around the province to look at expanding the scope of practice of NPs. Has there been a conversation between the RNAO and MPP John Fraser about revising the regulatory amendment to expand the scope of practice to allow NPs to deal with controlled substances?

Mr. Aric Rankin: Thank you for mentioning that. I don't know specifically who they have met with, but there have been a few sit-down meetings with various different ministers—I'm not too sure of the names—to expand the scope of practice. Again, we haven't seen this come to Ontario. As I mentioned, Ontario is one of the only jurisdictions that now do not have that prescribing authority for controlled substances.

Ms. Soo Wong: But when you look at the totality of all the NPs across the country, would you not say that there are more NPs in the province of Ontario than any other province?

Mr. Aric Rankin: I would definitely say that there are more NPs in Ontario, and that's why we need to lead forward and provide an example.

Ms. Soo Wong: Yes. And you also would appreciate that as a nurse—I'm a nurse first, just so you know, Mr. Rankin.

Mr. Aric Rankin: Yes, absolutely.

Ms. Soo Wong: As a nurse, when we change regulatory practices across the province, whether it's the College of Nurses, the College of Physicians and Surgeons—we just expanded the scope of practice with the College of Pharmacists—that kind of consultation, Mr. Rankin, takes more than one year.

Mr. Aric Rankin: Right.

Ms. Soo Wong: I know you've made reference to the Premier coming forward and making that announcement, and that it takes time—yes, it is about three years. But the review of that kind of scope of practice requires the government to consult all the regulatory bodies, not just the College of Nurses. Just so you understand, okay? So when you review a regulatory change and amendment, it will require consultation with the College of Physicians and Surgeons. It will require review with the college of dentistry. It will require every regulatory profession to have an input, plus we need to look at the experts as well.

Because we are the largest province in the country—I could tell you right now, as a former nurse, that no other province has more nurse practitioners in the country than the province of Ontario.

Mr. Aric Rankin: Right.

Ms. Soo Wong: It will take time. So I just want to encourage the RNAO and your colleague to be patient with us. When the Premier made that commitment—and so did this minister. Minister Hoskins is very favourable about these expanded scopes of practice. You have to be patient. Okay?

Mr. Aric Rankin: Yes.

Ms. Soo Wong: So I just want to say that forefront on the record.

Mr. Aric Rankin: Yes, but might I mention just one thing there quickly? I thank you very much, and I really do appreciate that. I think it's at venues like this that we can continue to remind the government about this, because we are responsible—I'm caring for patients. I just drove from Brantford from caring for patients. It's up to us to represent and to continue pushing.

Ms. Soo Wong: Yes. We appreciate all the good work.

Mr. Aric Rankin: And certainly I want a safe way to introduce this, of course.

Ms. Soo Wong: I really, really appreciate all the hard work of the nurse practitioners. I believe there was another nurse practitioner who came forward earlier today about another issue. So thank you, on behalf of the committee, for all the great work of the nurse practitioners across the province. But I also want to say to each one of you that these expanded scopes of practice as well as the salary piece—I know that the government is committed to looking at everything, but things don't happen overnight.

Mr. Aric Rankin: Yes, absolutely.

Ms. Soo Wong: So, thank you again, and please have a safe drive back home. Thank you.

Mr. Aric Rankin: Thank you very much. Thank you, everyone.

The Vice-Chair (Mr. Peter Z. Milczyn): Thank you, Mr. Rankin.

CAMPAIGN FOR ADEQUATE WELFARE AND DISABILITY BENEFITS

The Vice-Chair (Mr. Peter Z. Milczyn): Our next witness: Campaign for Adequate Welfare and Disability

Benefits. You're here? You have 10 minutes to present. Your questions will be from the official opposition. For the record, could you please provide us with your name?

Ms. Elizabeth McGuire: Elizabeth McGuire. I'm the chair of the Campaign for Adequate Welfare and Disability Benefits.

The Vice-Chair (Mr. Peter Z. Milczyn): Go ahead. The floor is yours.

Ms. Elizabeth McGuire: Thank you for the opportunity to present to you this afternoon on such a day that challenges travel, walking and basically negotiating anything that takes you outside. My apologies for not being able to be here earlier today this morning when my compatriots in the anti-poverty movement were here. I understand you spoke with Craig Foye from the legal clinic; Tom, from the round table; and Sandy Leyland, who is still here, I believe—no, she left.

I'm a member of that group of people who are fighting the social justice cause. I apologize, but I have to use the words "human rights violations." Sorry about that, but you've got to call it what it is.

I hope you got the feeling this morning from what they said that homelessness will only increase if nobody tries to do anything about it. It will only get worse, and we're spiralling downward globally. We need to have a government that stands strong and that says, "No, we don't have to do things that way; we can do things differently, smarter, and help those most vulnerable." I know that those this morning brought asks, and I hope what I bring to you are solutions for the problems which I've expressed.

I don't have to tell you that the growing disparity between the wealthy and poor people is getting worse. It has never been wider in this century, except perhaps for the Roaring Twenties. We're all aware in the United States that record stock market prices were gained by firing employees in order to maximize investor returns. Manual jobs across North America were shipped offshore. Professional jobs are downgraded to precarious contract work. Responsibility has been abandoned; accountability is elusive.

Inequality really does matter. If you look at Hamilton's Code Red series, which proved that people who are poor die 21 years earlier than those who are better off—and that carries through all the communities in Ontario.

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Between 2009 and 2011, personal income fell dramatically, but the 1% saw their income increase by 11%. The cost of food, as we all know, has increased, but social assistance rates have not kept pace. The cost of processed food has declined by 40% since 1980. The cost of good food—fruits and vegetables—rose by 40% since 1980. And 1980 also marks the year that obesity started to become a problem. If you're poor, you're going to buy that processed food because you can get it in bulk; it's high calorie; you get that full feeling, which is elusive again because you need a lot of fruits and vegetables before you feel full.

Unfortunately, the poor are led to buy the cheapest food available: processed food. And then you know what

has happened. We had a raging increase in diabetes and obesity, which increases health care costs, which is another cost of poverty.

Food banks and community dinners do what they can. All the churches in Hamilton, it seems, are involved in Out of the Cold dinners. But we cannot use charity to end hunger—we cannot. Hunger is a human travesty, and I think we in Ontario are smart enough, bright enough and advanced enough that we recognize that causing the poor to eat processed food so that they get sick and die earlier is unnecessary and inappropriate. I have to ask: What if your jobs were all funded through charity? That's something to think about—if you had to go out and raise money to cover your income.

Previous governments have practised a dismissal or blindness, and they've dominated and paralyzed and blinded governments to the plight of the poor and the vulnerable who know that struggle. Economic and social pundits have been pounding the drum and sounding the alarms for a few years now. We are a country in crisis, we are a province in crisis, and I know most people don't see it. We are spiralling downward, and unless you do something now, the problems and the disparity in Ontario will just get worse. Close the loopholes, shut down tax havens, raise taxes on the rich, find efficiencies and be the government that can bring in basic income. It is possible.

I recently had lunch with a respected economist. He reported that the cost of existing supplemental payments, including OAS, CPP, CIS, EI, is around \$165 billion. A basic income for those in Ontario on OW, ODSP and low wages would cost \$30 billion. The cost of doing nothing, of leaving things the way they are—increased health care costs, increased crime, etc.: \$41 billion. So you can shave \$11 billion off your forecast right off the bat. Do you want to spend \$41 billion staying the same or do you want to spend \$30 billion raising the floor so that people can afford good food and contribute to their community in ways that make everyone happier and feel better?

Be the government that ushers in basic income. It's not impossible. And we here in Hamilton will do what we can to help you. Thank you.

The Vice-Chair (Mr. Peter Z. Milczyn): Thank you very much. The questions are from Mr. Barrett of the official opposition.

Mr. Toby Barrett: Thank you very much for your presentation on behalf of the Campaign for Adequate Welfare and Disability Benefits. I appreciate you mentioning disability as well as welfare. We've heard a number of presentations on this issue today, as you mentioned. Year after year I've been on this committee for most of the tours since—well, the last 13 years. Predominantly the presentations are from organizations like your organization concerned about primarily Ontario Works, oftentimes disability. And you're right: For various reasons, as you said, people don't see it or they see it and perhaps draw a blind eye.

I came back from Denver a few years ago, a farm conference. In the city of Denver, you do see it with

respect to homelessness. Most of the major intersections, as we were driving around Denver, and not just downtown but greater Denver, had people in this kind of weather sleeping outside, as with much of the world. Some of my colleagues have returned from India. I spent time in India a number of years ago. There were one million people sleeping on the streets in Calcutta. You walk over the people to get anywhere. Here you don't see it.

Ms. Elizabeth McGuire: Oh, I beg to differ. If you go to Toronto and you walk from the bus station to the train station, they're right there on the corner, sleeping on the ground.

Mr. Toby Barrett: Yes, and again, that's been the case, I would say—let me think—for the last 30 years, probably, in Toronto. Not so much before that, for whatever reason.

I'm critic for agriculture, food and rural affairs, and you made mention of causing the poor to eat processed food. Correct. Most food banks that I've been in touch with make it very clear to provide non-perishable food items. As you know, that means food in a can or food in a box.

I have an interest in this area; I used to be critic for community and social services. I just completed a one-day training program last week titled Bridges Out of Poverty in Dunnville, a town south of here, as did 220 people from that town. That's a lot of people for the town of Dunnville to come out and spend all day taking this training program to try and do something to help those less fortunate in the Dunnville area. Just think of the ratio in Hamilton if that many citizens came out. Your orientation is for government, I think, to do a lot of this work, but there is a role, a continued role, for our churches, for citizens, for community leaders and, down my way, farmers, who know a bit about food.

Just going back to causing the poor to eat processed food, one of the examples they described—as many of us probably think in different terms than people who are really down and out, they used the example where a group got together and gave a family a refrigerator. Well, that wasn't a priority for that family. They wanted to visit other family members. They sold the refrigerator to pay, I think, for a plane ticket to visit other family members. Again, you need those social groups when you are in this kind of a status. I guess you don't need a refrigerator if everything you eat is from a can and from a cardboard box.

Did you want to add anything further on this—

Ms. Elizabeth McGuire: I can tell you that the Out of the Cold dinners in Hamilton—I think it's time for government to step up to the plate, because churches and volunteers in the community have been doing everything they can, and have been burned out from doing everything they can, for some time now. At the Out of the Cold dinners in Hamilton, the crowds are increasing. From when I first went to investigate and see what they were all about to today, the attendance has doubled. It's getting worse. I didn't say "spiralling downward" lightly.

They weren't just nice words I put together. I really mean it.

Mr. Toby Barrett: Yes, thank God for the Out of the Cold program. There's a church at Yonge and St. Clair. Myself and one of my staff members went up one cold winter night. We lined up at the back door with everybody else. It took us a while to get in the door. I wasn't wearing a suit or anything, just to see how it works. Not everybody got a mattress that night. There was a dinner. What really impressed me in this church was that a number of volunteers massaged the feet of the street people. You're not going to get a government worker to do that.

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Ms. Elizabeth McGuire: With all due respect, we don't need our feet massaged. We need food and income so we can act with dignity and participate in community events.

Mr. Toby Barrett: Sure, food and material items are important. But that church—and it's a very large organization in Toronto—they feel it's a very important part. It goes back to the religious—I don't know the Bible that well—but Jesus Christ washing the feet of those who are poor. That was very important for those people. There was a lineup. Many people would go there first, before the food or the cot.

Ms. Elizabeth McGuire: We have that kind of service in Hamilton, too. At one of the churches, there is a chiropodist there.

Mr. Toby Barrett: Thank you very much.

Ms. Elizabeth McGuire: Thank you.

The Vice-Chair (Mr. Peter Z. Milczyn): Thank you very much for your presentation.

HAMILTON-HALTON HOME BUILDERS' ASSOCIATION

The Vice-Chair (Mr. Peter Z. Milczyn): Our next witness is the Hamilton-Halton Home Builders' Association. You have 10 minutes to present, and questions will be coming from the third party. For the record, please state your name.

Ms. Suzanne Mammel: My name is Suzanne Mammel. I'm the executive officer of the Hamilton-Halton Home Builders' Association. Mr. Chairman and members of the committee, good afternoon.

The Hamilton-Halton Home Builders' Association, or HHHBA, is part of a nationwide network of home builder associations affiliated with both the Ontario Home Builders' Association and the Canadian Home Builders' Association. In fact, OHBA's immediate past president is Vince Molinaro. He is one of our members, and he is also a past president of the HHHBA.

Thank you for coming to Hamilton and for providing me with an opportunity to speak on the upcoming provincial budget.

HHHBA is the voice of the new housing, land development and professional renovation industries in the Hamilton and Halton areas. Our association includes

approximately 240 member companies. In our jurisdiction, we create approximately 31,600 jobs in new home construction, renovation and related fields, making us one of the area's largest employers. These jobs account for \$1.74 billion in wages each year, and the total residential construction-related economic activity represents just over \$5 billion in annual investments. We are truly an engine that drives the Hamilton-Halton economy.

Today, I'm going to focus my remarks on three areas related to the budget and provincial priorities: the underground economy, climate change, and local infrastructure.

Our association represents the professional renovations sector within the region. I'd like to emphasize the word "professional." We promote the RenoMark program, which helps to protect consumers by ensuring our members provide warranties, written contracts, carry insurance, pay their taxes, and obtain all the necessary permits for their projects. This is in contrast to a large portion of the sector, which is either the do-it-yourself sector or—our concern here today—the shadier side of the business, being the underground cash economy. These underground operators pose a risk to government, to legitimate business and, most importantly, to homeowners who may be thinking they're getting a great deal.

Some of the numerous problems that arise by paying cash to an underground operator are as follows: These illegitimate businesses don't typically take out permits. That means that neither their designs nor the structures that they build are being inspected. These people typically don't pay EI, GST or HST, and they aren't likely filing income or corporate tax returns, nor do they likely pay into WSIB. And I would suspect that their due diligence towards health and safety is likely lacking. Should an incident or an accident occur on-site, it's actually the homeowner who is liable—probably not something they're aware of when they're negotiating a cash deal. These cash operators are competing with legitimate businesses, businesses that are doing the right thing in playing by the rules: paying their taxes and obtaining the necessary permits. I'm sure all of you can appreciate that it is quite difficult to compete on a level playing field with these underground operators who are doing none of these things.

A cash deal may sound attractive to some homeowners, but they place themselves at risk. They create an unlevel playing field for businesses, and they cheat hard-working regular taxpaying citizens by not contributing their fair share of taxes that should be supporting hospitals, schools and infrastructure.

It is time for some serious action with respect to the underground economy. I'd like to share a couple of ideas.

The province should take a serious look at a consumer-focused tax credit, similar to the federal government's expired Home Renovation Tax Credit. This type of program could incent good behaviour by offering a tax credit to those homeowners renovating in a proper

way. We also believe that a well-structured tax credit would in fact result in net tax revenues being higher, by recapturing those revenues that are currently leaking to the underground economy.

This is where the climate change piece comes in. We believe that MOECC has an incredible opportunity here to incent significant change to greenhouse gas emissions, and should be looking very carefully at this concept. Recently, the national and provincial leaders returned from the Paris climate change summit, where they signed off on a pretty ambitious climate change agreement.

I would suggest that while new home construction does have a role to play, the problem lies with millions of existing homes, especially those built decades ago or even a century ago, when energy efficiency and insulation standards were either non-existent or miles behind where we are today. These buildings generate a lot of greenhouse gas emissions, and this is where the huge opportunity lies, which can be tied to our home renovation tax credit proposal.

I'd like to quote the David Crombie panel report that was released in December on the growth plan in the greenbelt. That report said, "When the energy efficiency requirements in the 2012 building code come into effect in January 2017, houses constructed after that point will consume only 50% of the energy they would have used in 2005. However, the building code primarily deals with new construction, which comprises only 1% of the overall building stock on an annual basis. Therefore, it will be essential to improve the efficiency of existing buildings."

We'd like you to consider the following, to address both the underground economy and to target greenhouse gas emissions. The home renovation tax credit I referred to a moment ago would focus on energy efficiency projects. This could be funded through money generated from the proposed cap-and-trade system.

The key here is twofold. Firstly, consumers renovating their homes save the receipts from legitimate businesses that have HST numbers, and they would apply for a tax credit by submitting them to CRA when they file their taxes. Here's the clever part: Only legitimate businesses with HST numbers could participate. The CRA could use the submitted information with that tax receipt and cross-reference the data against other databases such as WSIB, to ensure that businesses are in full compliance with provincial and federal laws on all fronts. We believe that by sharing more info with the CRA and by cross-referencing with other databases, the CRA could be better equipped to weed out businesses that are not paying taxes.

The second aspect of the credit is that only certain renovations that upgrade aging housing stock to improve energy efficiency or insulation, thus reducing greenhouse gas emissions, would qualify. The MOECC could come up with the appropriate criteria to ensure that we are getting the best bang for our buck in terms of what would qualify and what the impact on greenhouse gas emissions would be. We think that an energy-efficient home

renovation tax credit hits both of these top government priorities.

I'd like to close my presentation today with a discussion about infrastructure. HHHBA strongly supports infrastructure investments made towards its expansion of core infrastructure. By that I mean setting clear priorities for roads, bridges, transit, water and waste water in support of a growing economy and population. But it is just as important to ensure that we have a long-term asset management plan to ensure the ongoing maintenance and state of good repair for Ontario's existing infrastructure.

As we all know, investments made by the public sector facilitate additional private sector investment and job creation from our members. Examples include the newly started and planned redevelopment in Hamilton's downtown core, in anticipation of future LRT, and other private sector investments such as infill projects near the new West Harbour GO station; intensification projects planned around Burlington's GO Transit hubs, such as ADI Development's StationWest and the Molinaro Group's Paradigm project. These are great examples indicative of partnerships between the public and private sectors that yield community dividends through transit-oriented development, providing new jobs, municipal tax growth and economic growth.

Infrastructure investment should be more strongly coordinated among all three levels of government to provide stability and predictability as to when and where infrastructure dollars are going to be spent. I am encouraged by comments from new federal Infrastructure Minister Amarjeet Sohi, and we anticipate that there will be a stronger partnership between Queen's Park and Ottawa on this file moving forward.

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Locally, the provincial government has made some big investments and commitments to the future of Hamilton, for which we are very grateful. But I'm going to make a suggestion that the province needs to do more than just make the investment. The province needs to ensure that all municipalities do the proper planning around these investments.

Hamilton appears to be on the right track to pre-zone for higher densities along the LRT corridor, which is essential to support transit-oriented development. We will be watching and participating in these processes in both Hamilton and Burlington, as we know from our industry colleagues in other areas of the province that some municipalities under-zone as a method to placate local NIMBY groups, or to enable local governments the ability to extract additional financial contributions from developers to build the exact type of transit-oriented development that the province is hoping that these investments will produce in the first place.

My message is essentially that we very much appreciate and support the investment in both LRT and GO Transit, but we need the province to keep an eye on local governments to ensure that they follow with the appropriate local policies that will ultimately support those provincial investments.

In closing, I'd like to thank you all for your attendance and to reiterate my two key themes: We support a home renovation tax credit designed specifically to combat the underground economy and assist in achieving greenhouse gas emissions; and we support continued investments in core infrastructure; specifically, the LRT and GO in Hamilton and Halton regions. But we need to ensure that local policies align with provincial investments.

Thank you. I look forward to any questions you may have.

The Vice-Chair (Mr. Peter Z. Milczyn): Ten minutes precisely.

Ms. Suzanne Mammel: I worked on it forever.

The Vice-Chair (Mr. Peter Z. Milczyn): Ms. Fife, do you have questions?

Ms. Catherine Fife: Hello. Thank you. I actually have no questions because I think your presentation was very comprehensive; I look forward to getting a hard copy of it.

I just want to thank you for raising the issue of the home renovation tax credit. In other jurisdictions, it has been proven very successful in flushing out the underground economy around tax revenues, around safer workplaces, around local jobs and the local economy. When we get your written submission, I'll review that. Definitely, we're more than supportive of it.

Thank you for being so clear on that. I look forward to raising that when we finally get to the budget process of debate.

Ms. Suzanne Mammel: Thank you.

The Vice-Chair (Mr. Peter Z. Milczyn): You have until February 2 at 5 p.m. to submit your comments in writing.

Ms. Suzanne Mammel: Thank you.

FUTURPRENEUR CANADA

The Vice-Chair (Mr. Peter Z. Milczyn): Our next witness is Futurpreneur Canada. Good afternoon. You have 10 minutes to present. Questions will be coming from the government. For the record, could you please state your name?

Ms. Julia Deans: Good afternoon, Mr. Chair. My name is Julia Deans and I'm the CEO of Futurpreneur Canada, which was formerly the Canadian Youth Business Foundation or CYBF. Thank you very much for the opportunity to be here with you today.

If you're not familiar with Futurpreneur Canada, we were created in 1996. We're the only national non-profit organization that provides business coaching, collateral-free financing, mentors, networks and other key success resources to help 18- to 39-year-olds launch new businesses across the country.

We have a proven track record of advancing economic growth. Since we were started, we have helped 9,000 young entrepreneurs. They have created close to 35,000 jobs and an estimated \$217 million in tax revenue. We do this in part by complementing and leveraging the strengths of many others in the entrepreneurial landscape.

We are members of Ontario's Network of Entrepreneurs—ONE—and we work closely with many other members such as the Ontario Centres of Excellence. In fact, we're about to kick off a new partnership with OCE that will help their SmartStart applicants access our loans to grow their businesses.

Like all of you at this table, we want to strengthen the economy by creating jobs and prosperity for Ontarians. We are pleased that Ontario's recent investments in the youth jobs strategy have increased interest and activity in the area of youth entrepreneurship.

Futurpreneur directly supports the creation of jobs and prosperity. In Ontario, since 1996, we've helped launch 1,828 new businesses. These businesses have created 8,774 new jobs and an estimated \$55 million in tax revenue.

We've helped amazing entrepreneurs like Armen Bakirtzian, who is the co-founder and CEO of Intellijoint in Waterloo. It's a medical tech company that has developed a smart tool to enhance surgical accuracy in hip replacement surgery. If any of you have hip replacement surgery at Mount Sinai Hospital, it'll be using that tool. He received start-up funding from us through our Spin Master innovation fund. He now employs 15 staff. He recently received FDA approval, and he's expanding into new markets across Canada and the US.

In 2015 alone, we helped 1,000 young people launch businesses, and 31% of them were in Ontario. This was 54% more than in 2014. Ontario is our national headquarters, and we have 50 staff based in Ontario. To date, Futurpreneur Canada has invested \$43.7 million in Ontario, and we've received \$7.7 million from the province. We don't currently receive any provincial support.

Last spring, we secured \$14 million over two years from the federal government, and about \$2 million of this is coming to Ontario this year. But the government of Canada requires one-to-one matching and it's expecting Ontario to help. Without a contribution from Ontario, we will have to reallocate some of this federal investment to other provinces.

The last time I spoke to this committee, I mentioned that we were close to finalizing an agreement to secure all of our loan capital from the private sector. I'm very excited to tell you that we were successful. We now get all of our loan capital on a line of credit with RBC, which is secured by a guarantee from BDC. This is an innovative model that is being watched by our counterparts all around the world, and it can be expanded to include other banks. It's an excellent way to bring the private sector to the table to support young entrepreneurs and to help them start their businesses using private capital instead of public funds. It also, though, depends on others to continue funding our proven programs and services. Supporting Futurpreneur Canada is a low-investment way for the province to leverage a lot of private sector capital to grow the impact of the higher numbers of start-ups we're seeing in the province.

Young entrepreneurs are very important to our economy. Small and medium-sized businesses—those that employ fewer than 100 people—currently account

for 98% of all Canadian companies and more than half of our GDP. Futurpreneur shares Ontario's desire to see these entrepreneurs scale and grow. After 20 years, we have access to thousands of alumni who may be poised for growth but require help. We know these businesses well and we're ideally positioned to reach out to the young entrepreneurs who run them and help them to grow.

Through our Action Entrepreneurship consultations with young entrepreneurs and leaders in this space across Canada, we created Guide to Growth, and I have copies for you today. We know what entrepreneurs need to grow their businesses and we're seeking a three-year commitment from the province to help Main Street entrepreneurs access the tools and resources they need to grow. We're also proposing to provide targeted support for newcomer entrepreneurs and young entrepreneurs in Ontario's key tourism sector.

First, we propose doing targeted outreach to Futurpreneur alumni and entrepreneurs from government-led programs such as Starter Company and Summer Company and to provide them with access to volunteer specialist advisers. These are in areas like HR, accounting and marketing, where they really need help. We also will provide them with access to growth resources and financing options. We have strong relationships with every kind of financier, from angel investors to the banks and government partners, including through ONE. We'll refer these entrepreneurs to appropriate resources and strategic partners.

At Futurpreneur, we support young entrepreneurs across a range of sectors, not just tech. There are a lot of businesses that fall outside the tech space, and they need resources and support to grow. We believe that this three-year pilot initiative will meet that need. We respectfully request \$100,000 per year for three years to support young entrepreneurs to scale and grow their businesses.

The second area of our proposal is support for newcomer entrepreneurs. You all know that newcomers play a huge role in keeping our province strong and prosperous, and we can help more of these people build businesses through better engagement and support. I had the honour of chairing Ontario's Expert Roundtable on Immigration and I know very well, as do you, that to find these people we have to go after them and talk to them, often in their own language, and encourage them to access the resources we have.

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We already work with newcomer entrepreneurs, and I wanted to share an example with you: Alexey Saltykov from Toronto. We helped him launch his business, InsurEye. They do free online tools to educate consumers about insurance, and it creates transparency in our marketplace for insurance. When Alexey arrived here, he didn't know the business customs of Ontario. He had no networks to draw on. With help from us, including his volunteer Futurpreneur mentor, Alexey has created 10 jobs.

There's definitely a gap in start-up support for newcomers in Ontario, and we are poised to help. Only 13% to maybe 30% of immigrants use settlement service

agencies, so we'll work with those, but we'll also leverage our partnerships with local and ethno-specific chambers of commerce, such as the Indo-Canadian chamber of commerce and the Chinese-Canadian chamber of commerce.

We'll maximize our impact by starting with communities with the highest newcomer populations, but we'll also be mindful of how our work can support the needs of other newcomer groups, including refugees. I've already talked to the leaders of Lifeline Syria about how we can provide Syrian refugees with access to information about how to launch businesses here.

We'll provide workshops and information sessions, and we'll develop resource materials and translate them into the languages of the communities that we're reaching out to.

We also know that mentoring is critical, and we'll provide mentoring for those who apply for a loan as well as for those newcomers who don't need a loan but do need a mentor.

As I noted earlier, Futurpreneur will provide loan financing without using provincial funds. That's not part of our request. Our request is focused on the outreach and the help in developing business plans etc. We are requesting \$100,000 per year for three years to serve newcomer entrepreneurs as they launch their businesses.

The third and final area of our proposal is promoting and supporting entrepreneurs in the tourism sector. Ontario is Canada's top tourism market. Given that it's growing and dominated by small and medium-sized businesses, it has great opportunities for young entrepreneurs. It's also heavily influenced by an aging population. Succession is a huge issue in this sector. We must encourage young people to consider entrepreneurship at a time when many small business owners in this sector are retiring.

We've helped lots of young tourism entrepreneurs, like Paul Amano, of Boreal Journeys Sled Dog Kennel, from Kaministiquia, Ontario. Paul has a wonderful business helping residents and visitors to northwestern Ontario access a unique dog experience, all-day programs in which they learn to take care of, manage and run a team of sled dogs. With your support, we know we can do more to attract and help more young tourism entrepreneurs like Paul.

I want to stress that we have experience targeting key sectors. We currently have a successful partnership with the Guelph Food Technology Centre that's yielding very positive results. We are developing eight promotional videos featuring successful young entrepreneurs in the food industry, delivering targeted outreach through strategic partnerships with regional and national organizations in this industry—

The Vice-Chair (Mr. Peter Z. Milczyn): Ms. Deans, could you wrap up?

Ms. Julia Deans: Sure—and we've exceeded our expectations in terms of new food businesses, including Foundry Ice Cream in Waterdown.

Before I close, I'd like to invite you all to attend our Action Entrepreneurship expert exchange, either in

Toronto on January 28 or Ottawa on February 23. We'll have over 125 people there connecting and celebrating our entrepreneurial community. And I invite you to attend our national summit in May, in Toronto.

In closing, we again respectfully request your support for three areas of our proposal, totalling \$235,000 per year, so that we can work with others to help young entrepreneurs achieve their dreams of launching and growing their own businesses.

The Vice-Chair (Mr. Peter Z. Milczyn): Thank you. Mr. Baker has questions for you.

Mr. Yvan Baker: Julia, thanks so much for coming to present today. It's great to see you again. I want to start by congratulating you on all the wonderful work that you've done. I know you a little bit from your previous life. It was great to see your presentation.

Ms. Julia Deans: Thank you.

Mr. Yvan Baker: I'll have a chance to go through it later, but just reading it over—to see some of the successes that you've had and to see the resulting impact that's having on the broader economy is fantastic.

Also, it's perhaps just coincidence, but it was great to hear your story about Alexey Saltykov and his success. I know Alexey pretty well, as well, and I sat down with him on his business, InsurEye, at one point. I've used that service on a number of occasions in a number of different contexts. It's great to hear that you were able to help him.

I have a couple of questions. One of the things that I know, going back some time—you actually put out a number. I think \$7.7 million is the number you threw out, in terms of support that the government provided to date. Can you just talk about what that support was for and what sorts of results were generated through that?

Ms. Julia Deans: Yes, absolutely. At one point, we had to raise all of our money for our loan capital, as well as for our programs and services. I mentioned that, as of October, we no longer have to raise money for loan capital. But at the time we last received money from the provincial government, it was for loan capital and some programs and services.

We've now helped close to 2,000 Ontario entrepreneurs launch businesses. Our portion of the loan is \$15,000 per entrepreneur, so Ontario money has supported a small portion of those close to 2,000 young entrepreneurs as they have launched businesses.

I might mention that our young entrepreneurs have a 50% to 60% success rate. So 50% to 60% are in business after five years, which is much higher than the national average, which is just under 50%. These are young people with no assets to begin with, and close to 90% repay the loans. So there is some recycling of the original money that we receive from Ontario, but it's a pretty small drop in the overall bucket.

Mr. Yvan Baker: If I step back from a public policy perspective for a moment, there are a lot of things that the government is doing to try to support economic growth within the entrepreneurial circles and beyond. The funding you've talked about is one element; investments in infrastructure are a piece; post-secondary education is a piece etc.

Do you have thoughts on—and I know you've written about this in the media and elsewhere—the kinds of things that government needs to be doing, beyond your request to support your organization, to spur and support entrepreneurship in Ontario?

Ms. Julia Deans: Yes. For sure, I think that any way we can leverage private sector money to help private sector businesses launch is good, so I'm definitely supporting that.

Through Action Entrepreneurship, we know that young entrepreneurs are started at birth and that we need to encourage all of our young people to be developing financial literacy skills, to have entrepreneurial skills such as communications, and, if possible, have experiences in entrepreneurship. That starts in grade school and goes right through college and university.

We do help people coming out of their last year of college and university, but many are not open to entrepreneurship. They have parents who say, "Over my dead body." That's not really very good, because whether or not they open a business, they are going to have to create their own opportunities in whatever they do, whether it's nursing or banking or social services, what have you.

Mr. Yvan Baker: Thanks very much. That's great.

The Vice-Chair (Mr. Peter Z. Milczyn): Thank you very much for your presentation.

Ms. Julia Deans: Thank you again for all your time.

The Vice-Chair (Mr. Peter Z. Milczyn): The committee will adjourn until 9 a.m. tomorrow morning in Windsor.

The committee adjourned at 1647.

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